

**FAIRVIEW BOARD OF EDUCATION
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

FAIRVIEW BOARD OF EDUCATION

FAIRVIEW BOARD OF EDUCATION
Fairview, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2014

Comprehensive Annual Financial Report

of the

**FAIRVIEW BOARD OF EDUCATION
Fairview, New Jersey**

Year Ended June 30, 2014

Prepared by

**Patrick Caufield
Board Secretary/Business Administrator**

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INTRODUCTORY SECTION

FAIRVIEW PUBLIC SCHOOLS

Louis DeLisio
Superintendent of Schools
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Fairview, NJ 07022

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E-mail: Ldelisio@fairviewps.org

October 8, 2014

Honorable President and Members of the Fairview Board of Education
Fairview Public Schools
130 Hamilton Avenue
Fairview, New Jersey 07022

Dear Board Members,

The Comprehensive Annual Financial Report of the Fairview School District for the fiscal year ended June 30, 2014 is hereby submitted. Responsibility for the accuracy of the data and completeness of the presentation lies with the management of the district. It is our belief that the data contained in this report is accurate and is reported in a manner designed to present a clear picture of the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of district financial activities have been included.

The Government Accounting Standards Board (GASB) requires the district to provide a narrative introduction, an overview, and an analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal can be found immediately following the "Independent Auditors' Report".

The Comprehensive Annual Financial Report is presented in four sections: introduction, financial, statistical, and single audit. The introduction includes this transmittal letter and lists principal officials. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements including the district financial statements in an effort to conform to the Governmental Accounting Standards Board Statement Number 34. The basic financial statements also include the individual fund financial statements, notes to the basic financial statements, and required supplemental information. The statistical section includes selected financial and demographic information.

The district is required to have an annual single audit in order to conform with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants and State Aid Payments". Information related to this audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and a schedule of findings and questioned costs are included in the supplementary section of this report.

1. Reporting Entity and its Services: The Fairview Public School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board as established by GASB Statement No. 14. All funds of the district are included in this report.

The district provides a full range of educational services appropriate to grade levels Pre-K through eight. These services include regular, as well as special education for handicapped students. The fiscal year concluded with an enrollment of 1273 students. This number represents an increase of seven (70) students from the previous fiscal year. The following is a view of the district enrollment for the last ten years.

Average Daily Enrollment

Year	Enrollment	Percent Change
2004-2005	1010	---
2005-2006	1013	.30
2006-2007	1005	(0.80)
2007-2008	1051	4.58
2008-2009	1043	(.76)
2009-2010	1115	6.9
2010-2011	1148	3.0
2011-2012	1196	4.2
2012-2013	1203	.06
2013-2014	1273	5.8

2. Economic Condition and Outlook: The community of Fairview continues to see substantial growth in the multi-family housing market. As a result of this growth the school district is experiencing an influx of students at the primary levels (K-3). The overall district enrollment continues to rise and this trend is expected to continue.

3. Major Initiatives: During the 2013-2014 the district made an effort prepare students for the administration of the PARCC (Partnership for Assessment of Readiness for Career and College). This effort involved increasing technology available to students in the classroom and upgrading the technology infrastructure.

In addition, the district continued its lease agreement with the Newark Archdiocese for what was formerly St. John the Baptist School located at 240 Fourth Street, Fairview, N.J. This building currently houses all first grade students in the Fairview Public School District.

4. Internal Accounting Controls: District management is responsible for establishing and maintaining structure designed to ensure district assets are safe from loss, misuse or theft and to ensure that accurate accounting data are compiled when preparing financial statements which conform to generally accepted accounting practices. The internal control structure provides reasonable, but not absolute, assurance that the objectives are met.

As a recipient of federal and state funds, the Fairview School District is also responsible to ensure compliance with laws and regulations related to those programs. The district internal control structure must also be periodically evaluated by the district management.

Part of the district's single audit requires tests to determine the accuracy of the internal control structure. This in an effort to ensure the district is in compliance with laws and regulations regarding federal and state funding programs.

5. Budgetary Controls: The district maintains budgetary controls, in addition to internal accounting controls, in an effort to ensure compliance with legal provisions in the annual appropriated budget. Annual budgets are adopted for the general, debt service and special revenue funds. The final budget amounts are reported in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. The funds are to be re-appropriated are reported as reservations of fund balance on June 30, 2013.

6. Debt Administration: As of June 30, 2014, the district outstanding debt issues included. These loans have assisted in upgrading facilities at School Number Three and Lincoln School. In addition the district has \$295,000 of Pension Refunding Bonds outstanding at June 30, 2014.

7. Cash Management: The district investment policy is in accordance with the state statute detailed in the "Notes to the Financial Statements". The district cash management plan requires it to deposit public funds in institutions protected from loss under 1970 to protect Governmental Units from loss of funds on deposit with a failed bank in the state of New Jersey.

8. Risk Management: The Fairview Board of Education is covered by a variety of insurance forms. These include general liability, auto liability and collision, hazard and theft insurance on buildings and other property (including contents) and fidelity bonds.

9. Other Information: The district is required to conduct an annual audit conducted by an independent certified public accountant or registered municipal accountant. The Fairview Board of education currently employs the services of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. as our independent accounting firm. The audit is performed and designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The report on basic financial statements and schedules is included in the financial section of the report. The auditors' report specifically related to the single audit is included in that section of this report.

10. Acknowledgements: The administration wishes to express their gratitude to the Fairview Board of Education for their efforts in providing fiscal accountability and stability to the children, parents and taxpayers of the borough of Fairview. With the support of the Board the district has been able to develop and maintain a stable financial base. In addition, the administration wishes to acknowledge the efforts of the Business Administrator and his staff for their dedicated service to the Fairview Public School district.

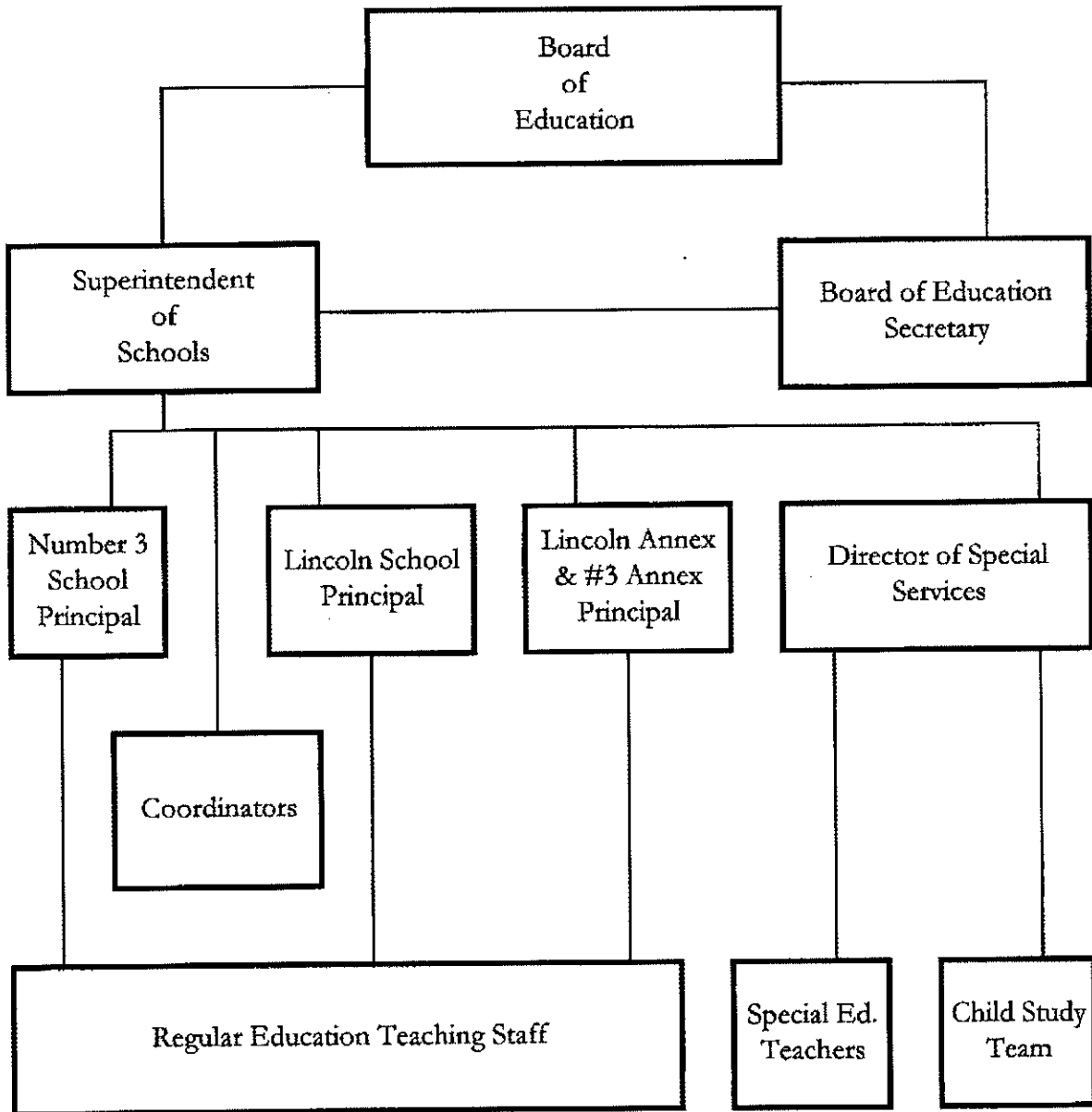
Respectfully submitted,

Louis DeLisio

Louis DeLisio
Superintendent of Schools

BOUROUGH OF FAIRVIEW BOARD OF EDUCATION

Fairview, New Jersey



FAIRVIEW BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2014

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Angelo D'Arminio	2016
Jhon Gomez	2015
Louis Aveta	2014
Yara Betancourt	2015
Martin Booth	2015
Francisco Martinez	2016
John Mesisca	2014
Diane Testa	2016
Maria Travers	2014

Other Officials

Louis De Lisio, Ph.D., Superintendent

Partick Caufield, School Business Administrator/Board Secretary

FAIRVIEW BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2014

Attorney

Stephen F. Pellino, Esq.
Basile, Birchwale and Pellino
865 Broad Avenue
Ridgefield, NJ 07657

Joseph Ryglicki
115 River Road
Edgewater, NJ 07020

Architect of Record

GEORGE HELD & ASSOCIATES, AIA
457 Crooks Avenue
Clifton, NJ 07011

District Auditor

STEVEN D. WIELKOTZ, C.P.A.
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Official Depository

GSL Bank
215 Bergen Blvd
Fairview, NJ 07022

FINANCIAL SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Fairview Board of Education
Fairview, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Fairview Board of Education, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Fairview Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fairview Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards


In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2014 on our consideration of the Fairview Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our

Honorable President and
Members of the Board of Education
Page 4.

testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fairview Board of Education's internal control over financial reporting and compliance.



Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

October 8, 2014

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

The discussion and analysis of the Fairview Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased by \$859,075. Net position of governmental activities increased \$848,415 while net position of business-type activities increased by \$10,660.
- General revenues accounted for \$22,475,953 in revenue or 91 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,127,145 or 9 percent of total revenues of \$24,603,098.
- The School District had \$23,744,023 in expenses related to governmental and business-type activities; only \$2,127,145 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$22,475,953 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (government-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Fairview Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

In the *Statement of Net Position and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-type Activity** – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Fund is reported as a business-type activity.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fairview Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

The Fairview Board of Education maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue and debt service funds, which are both considered to be major funds.

The Fairview Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Fairview Board of Education uses proprietary funds to account for its food service program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net positions were \$5,673,788 at June 30, 2014 and \$4,814,713 at June 30, 2013. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2014 compared to 2013 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets						
Current and Other Assets	3,375,757	2,942,599	47,235	59,273	3,422,992	3,001,872
Capital Assets:						
Land and Construction in Progress	1,320,213	1,320,213			1,320,213	1,320,213
Depreciable Buildings, Improvements and Equipment (net)	<u>2,693,207</u>	<u>2,892,518</u>	<u>17,514</u>	<u>21,719</u>	<u>2,710,721</u>	<u>2,914,237</u>
Total Assets	<u>7,389,177</u>	<u>7,155,330</u>	<u>64,749</u>	<u>80,992</u>	<u>7,453,926</u>	<u>7,236,322</u>
Deferred Outflows:						
Unamortized Bond Issuance Costs	<u>9,334</u>	<u>11,667</u>			<u>9,334</u>	<u>11,667</u>
Deferred Outflows	<u>9,334</u>	<u>11,667</u>			<u>9,334</u>	<u>11,667</u>
Liabilities						
Current Liabilities	959,977	1,291,227		26,903	959,977	1,318,130
Noncurrent Liabilities	<u>829,495</u>	<u>1,115,146</u>			<u>829,495</u>	<u>1,115,146</u>
Total Liabilities	<u>1,789,472</u>	<u>2,406,373</u>		<u>26,903</u>	<u>1,789,472</u>	<u>2,433,276</u>
Net Position						
Net Investment in Capital Assets						
Assets	3,727,754	3,629,574	17,514	21,719	3,745,268	3,651,293
Restricted	2,567,177	1,724,080			2,567,177	1,724,080
Unrestricted	<u>(685,892)</u>	<u>(593,030)</u>	<u>47,235</u>	<u>32,370</u>	<u>(638,657)</u>	<u>(560,660)</u>
Total Net Position	<u>5,609,039</u>	<u>4,760,624</u>	<u>64,749</u>	<u>54,089</u>	<u>5,673,788</u>	<u>4,814,713</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2014.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			31,041	32,968	31,041	32,968
Operating Grants and						
Contributions	1,733,921	1,555,356	362,183	333,015	2,096,104	1,888,371
General Revenues:						
Taxes:						
Property Taxes	13,457,389	12,852,943			13,457,389	12,852,943
Federal and State Aid not						
Restricted	8,861,509	8,744,802			8,861,509	8,744,802
Federal and State Aid -						
Debt Service	46,342	46,770			46,342	46,770
Federal and State Aid -						
Capital Outlay	5,480	12,109			5,480	12,109
Tuition Received	13,050				13,050	
Miscellaneous Income	86,618	32,087	2,059		88,677	32,087
Investment Income	3,457	5,602	49	15	3,506	5,617
Transfers	<u>(4,799)</u>	<u>(5,311)</u>	<u>4,799</u>	<u>5,311</u>	<u> </u>	<u> </u>
Total Revenues and Transfers	<u>24,202,967</u>	<u>23,244,358</u>	<u>400,131</u>	<u>371,309</u>	<u>24,603,098</u>	<u>23,615,667</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Functions/Program						
Instruction:						
Regular	4,624,714	4,420,441			4,624,714	4,420,441
Special Education	2,975,019	2,304,755			2,975,019	2,304,755
Other Special Instruction	1,000,664	823,416			1,000,664	823,416
Other Instruction	40,468	41,975			40,468	41,975
Support Services:						
Tuition	7,212,821	8,369,482			7,212,821	8,369,482
Student & Instruction						
Related Services	2,031,343	1,873,252			2,031,343	1,873,252
School Administrative						
Services	650,907	619,650			650,907	619,650
General Administrative						
Services	711,639	720,155			711,639	720,155
Central Administration and						
Admin. Info. Tech.	608,662	545,108			608,662	545,108
Plant Operations and						
Maintenance	1,492,204	1,545,544			1,492,204	1,545,544
Pupil Transportation	365,833	218,119			365,833	218,119
Unallocated Benefits	1,267,932	1,008,799			1,267,932	1,008,799
Special Schools	21,000	21,000			21,000	21,000
Charter Schools		12,164				12,164
Capital Outlay -						
Nondepreciable	5,480	12,109			5,480	12,109
Interest on Long-Term Debt	21,128	27,540			21,128	27,540
Unallocated Depreciation	322,405	412,071			322,405	412,071
Capital Lease Obligations						
and Amortization	2,333	2,333			2,333	2,333
Food Service			389,471	365,909	389,471	365,909
Total Expenses	<u>23,354,552</u>	<u>22,977,913</u>	<u>389,471</u>	<u>365,909</u>	<u>23,744,023</u>	<u>23,343,822</u>
Increase or (Decrease) in						
Net Position	<u>848,415</u>	<u>266,445</u>	<u>10,660</u>	<u>5,400</u>	<u>859,075</u>	<u>271,845</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$23,744,023. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$13,457,389 because some of the cost was paid by those who benefitted from the programs \$31,041, by other governments and organizations who subsidized certain programs with grants and contributions \$2,096,104, unrestricted federal and state aid \$8,861,509, federal and state aid capital outlay \$5,480, federal and state debt service aid \$46,342, and by miscellaneous sources \$105,233.

Revenues for the District's business-type activities (food service and school age child care programs) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service revenues exceeded expenses by \$10,660.
- ✓ Charges for services provided totaled \$31,041. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$362,183.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2014, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- The general fund was increased by \$162,390 for increases in tuition to other LEA's within the State - regular.
- The special revenue fund was increased by \$352,816 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$22,194,720. That amount is \$1,605,524 above the final amended budget of \$20,589,196. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,253,759 for TPAF social security reimbursements and on-behalf pension payments and a \$351,765 excess in miscellaneous anticipated revenues, other state aids and other federal aids.

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

General Fund, (continued)

The actual expenditures of the general fund were \$21,387,529 including transfers which is \$26,832 less than the final amended budget of \$21,414,361. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$1,253,759 and \$1,280,591 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$1,750,531. That amount is above the original budget estimate of \$1,474,820 and below the final amended budget of \$1,827,636. The \$352,816 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$77,105 variance between the final amended budget and the June 30, 2014 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special education fund were \$1,750,531, which is above the original budget of \$1,474,820 and below the final amended budget of \$1,827,636. The \$352,816 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$77,105 variance between the final amended budget and the June 30, 2014 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014 the School District had \$12,414,190 invested in sites, buildings, equipment and construction in progress. Of this amount, \$8,383,256 in depreciation has been taken over the years. We currently have a net book value of \$4,030,934. Total depreciable additions for the year were \$123,094, which consisted of various equipment purchases and site and building improvements. Table 3 shows fiscal year 2014 balances compared to 2013.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	1,320,213	1,320,213			1,320,213	1,320,213
Site Improvements	130,673	141,812			130,673	141,812
Buildings and Improvements	1,926,332	2,110,682			1,926,332	2,110,682
Machinery and Equipment	636,202	640,024	17,514	21,719	653,716	661,743
	<u>4,013,420</u>	<u>4,212,731</u>	<u>17,514</u>	<u>21,719</u>	<u>4,030,934</u>	<u>4,234,450</u>

**FAIRVIEW BOARD OF EDUCATION
FAIRVIEW, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Debt Administration

At June 30, 2014, the District had \$829,495 of long term debt. Of this amount, \$534,495 is for compensated absences and \$295,000 is for the pension refunding bonds.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2014</u>	<u>2013</u>
2003 Pension Refunding Bonds	<u>\$295,000</u>	<u>\$360,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2014-2015 school year that is slightly above the funding level of the 2013-2014 school year.

These factors were considered in preparing the Fairview Board of Education's budgets for the 2014-2015 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Fairview Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

School Business Administrator
Fairview Board of Education
Hamilton and Day Avenues
Fairview, NJ 07022

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FAIRVIEW BOARD OF EDUCATION
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	24,311	7,803	32,114
Receivables, net	1,774,446	39,432	1,813,878
Restricted assets:			
Reserve accounts - cash	1,577,000		1,577,000
Capital assets:			
Land and Construction in Progress	1,320,213		1,320,213
Depreciable Buildings, Improvements and Equipment (net)	2,693,207	17,514	2,710,721
Total Assets	<u>7,389,177</u>	<u>64,749</u>	<u>7,453,926</u>
 Deferred Outflow of Resources:			
Unamortized bond issuance costs	<u>9,334</u>		<u>9,334</u>
 Total Deferred Outflows	<u>9,334</u>		<u>9,334</u>
 LIABILITIES			
Accounts payable and accrued liabilities	947,728		947,728
Payable to state government	12,249		12,249
Noncurrent liabilities:			
Due within one year	70,000		70,000
Due beyond one year	759,495		759,495
Total liabilities	<u>1,789,472</u>	<u>-</u>	<u>1,789,472</u>
 NET POSITION			
Net Investment in Capital Assets	3,727,754	17,514	3,745,268
Restricted for:			
Debt service	3		3
Capital projects	1,252,000		1,252,000
Other purposes	1,315,174		1,315,174
Unrestricted (Deficit)	<u>(685,892)</u>	<u>47,235</u>	<u>(638,657)</u>
Total net position	<u><u>5,609,039</u></u>	<u><u>64,749</u></u>	<u><u>5,673,788</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FAIRVIEW BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2014

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	3,806,604	818,110			(4,624,714)	(4,624,714)
Special education	2,656,458	318,561		1,366,707	(1,608,312)	(1,608,312)
Other special instruction	801,680	198,984			(1,000,664)	(1,000,664)
Other instruction	33,203	7,265			(40,468)	(40,468)
Support services:						
Tuition	7,212,821				(7,212,821)	(7,212,821)
Student & instruction related services	1,764,796			367,214	(1,664,129)	(1,664,129)
School administrative services	520,984	266,547			(650,907)	(650,907)
General administrative services	628,938	82,701			(711,639)	(711,639)
Central services and administrative information technology	492,169	116,493			(608,662)	(608,662)
Plant operations and maintenance	1,323,733	168,471			(1,492,204)	(1,492,204)
Pupil transportation	364,070	1,763			(365,833)	(365,833)
Unallocated benefits	1,267,932				(1,267,932)	(1,267,932)
Special schools	21,000				(21,000)	(21,000)
Capital outlay - non-depreciable	5,480				(5,480)	(5,480)
Interest on long-term debt	21,128				(21,128)	(21,128)
Unallocated depreciation	322,405				(322,405)	(322,405)
Amortization	2,333				(2,333)	(2,333)
Total governmental activities	21,245,734	2,108,818	-	1,733,921	(21,620,631)	(21,620,631)
Business-type activities:						
Food Service	389,471		31,041	362,183		3,753
Total business-type activities	389,471		31,041	362,183		3,753
Total primary government	<u>21,635,205</u>		<u>31,041</u>	<u>2,096,104</u>	<u>(21,620,631)</u>	<u>(21,616,878)</u>
General revenues:						
Taxes:						
Levied for general purposes					13,184,444	13,184,444
Taxes levied for debt service					272,945	272,945
Federal and State aid not restricted					8,861,509	8,861,509
Federal and State aid - Capital Outlay					5,480	5,480
Federal and State aid - Debt Service					46,342	46,342
Investment Earnings					3,457	3,506
Miscellaneous Income					86,618	88,677
Tuition from Summer Schools					13,050	13,050
Transfers					(4,799)	-
Total general revenues, special items, extraordinary items and transfers					22,469,046	22,475,953
Change in Net Position					848,415	859,075
Net Position—beginning						4,814,713
Net Position—ending					4,760,624	5,673,788

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

FAIRVIEW BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents				
Checking	24,308		3	24,311
Accounts Receivable -				
Interfunds	187,115			187,115
Intergovernmental - Federal	62,266	322,568		384,834
Intergovernmental - State	268,163			268,163
Other receivables	1,121,449			1,121,449
Restricted cash and cash equivalents				
Capital reserve	1,252,000			1,252,000
Tuition reserve	325,000			325,000
Total assets	<u>3,240,301</u>	<u>322,568</u>	<u>3</u>	<u>3,562,872</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	822,404	123,204		945,608
Intergovernmental accounts payable - State		12,249		12,249
Interfund payables		187,115		187,115
Total liabilities	<u>822,404</u>	<u>322,568</u>	<u>-</u>	<u>1,144,972</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	199,141			199,141
Excess Surplus - prior year - designated for subsequent year's expenditures	184,306			184,306
Capital reserve account	1,252,000			1,252,000
Tuition reserve	325,000			325,000
Assigned to:				
Year-end Encumbrances	447,942			447,942
Designated by the BOE for subsequent year's expenditures	158,785			158,785
Debt service fund			3	3
Unassigned:				
General fund	(149,277)			(149,277)
Total Fund balances	<u>2,417,897</u>	<u>-</u>	<u>3</u>	<u>2,417,900</u>
Total liabilities and fund balances	<u>3,240,301</u>	<u>322,568</u>	<u>3</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,351,120 and the accumulated depreciation is \$8,337,700.	4,013,420
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(2,120)
Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are \$30,000 and accumulated amortization is \$20,666	9,334
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	(829,495)
Net position of governmental activities	<u>5,609,039</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FAIRVIEW BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Municipal tax levy	13,184,444		272,945	13,457,389
Tuition from Summer School	13,050			13,050
Miscellaneous	90,075	-		90,075
Total - Local Sources	13,287,569	-	272,945	13,560,514
State sources	8,761,621	281,158	46,342	9,089,121
Federal sources	99,888	1,458,243		1,558,131
Total revenues	22,149,078	1,739,401	319,287	24,207,766
EXPENDITURES				
Current:				
Regular instruction	3,855,384			3,855,384
Special education instruction	1,289,751	1,366,707		2,656,458
Other special instruction	801,680			801,680
School sponsored/other instructional	33,203			33,203
Support services and undistributed costs:				
Tuition	7,212,821			7,212,821
Attendance and social work services	201,270			201,270
Health services	216,225			216,225
Student & instruction related services	980,087	367,214		1,347,301
School administrative services	520,984			520,984
General administrative services	641,438			641,438
Central services & administrative information technology	492,169			492,169
Plant operations and maintenance	1,390,071			1,390,071
Pupil transportation	364,070			364,070
Unallocated benefits	2,108,818			2,108,818
On-behalf contributions	1,253,759			1,253,759
Special Schools:				
Summer School Instruction	21,000			21,000
Debt service:				
Principal			295,300	295,300
Interest and other charges			23,989	23,989
Capital outlay		5,480		5,480
Total expenditures	21,382,730	1,739,401	319,289	23,441,420
Excess (Deficiency) of revenues	766,348	-	(2)	766,346
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,799)			(4,799)
Total other financing sources and uses	(4,799)	-	-	(4,799)
Net change in fund balances	761,549	-	(2)	761,547
Fund balance—July 1	1,656,348		5	1,656,353
Fund balance—June 30	2,417,897	-	3	2,417,900

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FAIRVIEW BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2014

Total net change in fund balances - governmental funds (from B-2) 761,547

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(322,405)	
Depreciable Capital outlays	<u>123,094</u>	(199,311)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

General Bond Obligations - Principal	65,000	
Intergovernmental Loan Obligations - Principal	230,300	
Capital Lease Obligations - Principal	<u>4,524</u>	299,824

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)

General Bond Obligations - Prior Year	2,568	
General Bond Obligations	(2,120)	
Intergovernmental Loan Obligations - Prior Year	2,401	
Capital Lease Obligations - Prior Year	<u>12</u>	2,861

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in compensated absences payable	(14,173)
--	----------

The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)

(2,333)

Change in net position of governmental activities

848,415

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

Exhibit B-4

FAIRVIEW BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2014

**Business-type
Activities -
Enterprise Fund**

**Food Service
Program**

ASSETS

Current assets:

Cash and cash equivalents	7,803
Accounts receivable:	
State	1,020
Federal	38,412
Total current assets	<u>47,235</u>

Noncurrent assets:

Capital assets:

Equipment	63,070
Less accumulated depreciation	<u>(45,556)</u>
Total capital assets (net of accumulated depreciation)	<u>17,514</u>
Total assets	<u>64,749</u>

NET POSITION

Net Investment in Capital Assets	17,514
Unrestricted	<u>47,235</u>
Total net position	<u>64,749</u>

FAIRVIEW BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2014

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales	31,041
Total operating revenues	<u>31,041</u>
 Operating expenses:	
Cost of sales	57,117
Depreciation expense	4,205
Purchased services	328,149
Total Operating Expenses	<u>389,471</u>
Operating income (loss)	<u>(358,430)</u>
 Nonoperating revenues (expenses):	
State sources:	
School lunch program	6,540
Federal sources:	
National school lunch program	317,604
Breakfast program	38,039
Prior year HHFKA	2,059
Interest Income	49
Total nonoperating revenues (expenses)	<u>364,291</u>
Income (loss) before contributions & transfers	5,861
 Other financing sources/(uses)	
Transfer In	4,799
Change in net position	<u>10,660</u>
 Total net position—beginning	<u>54,089</u>
Total net position—ending	<u><u>64,749</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FAIRVIEW BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2014

**Business-type
Activities -
Enterprise Fund**

**Food Service
Program**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	31,041
Payments to suppliers	(412,169)
Net cash provided by (used for) operating activities	<u>(381,128)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Sources	6,415
Federal Sources	344,761
Prior Year HHFKA	2,059
Transfer In	4,799
Net cash provided by (used for) non-capital financing activities	<u>358,034</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends	49
Net cash provided by (used for) investing activities	49
Net increase (decrease) in cash and cash equivalents	<u>(23,045)</u>

Balances—beginning of year	30,848
Balances—end of year	<u><u>7,803</u></u>

**Reconciliation of operating income (loss) to net cash provided
(used) by operating activities:**

Operating income (loss)	(358,430)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	4,205
Increase (decrease) in accounts payable	(26,903)
Total adjustments	<u>(22,698)</u>
Net cash provided by (used for) operating activities	<u><u>(381,128)</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FAIRVIEW BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	323,338
Total assets	<u>323,338</u>
LIABILITIES	
Payable to student groups	21,341
Payroll deductions and withholdings	301,995
Region VI Fund	<u>2</u>
Total liabilities	<u><u>323,338</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Fairview Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Fairview Board of Education is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fairview Board of Education have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Region VI Student Activities Fund, Payroll and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education increased the general fund budget by \$162,390 for prior year unanticipated extraordinary aid for tuition to other LEA's within the State - regular.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Budgets/Budgetary Control: (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F. Cash, Cash Equivalents and Investments: (continued)

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

K. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

M. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

O. Fund Balances: (continued)

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

P. Net Position:

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Q. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for the Food Service Program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

R. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

S. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

T. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

U. Recent Accounting Pronouncements:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69, "Government Combinations and Disposals of Government Obligations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2014, \$-0- of the District's bank balance of \$3,753,883 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 4. RECEIVABLES

Receivables at June 30, 2014, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
Other Receivables	\$1,121,449	\$	\$1,121,449
State Aid	268,163	\$1,020	269,183
Federal Aid	384,834	38,412	423,246
Due from Other Funds	<u>187,115</u>		
Gross Receivables	1,961,561	39,432	1,813,878
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$1,961,561</u>	<u>\$39,432</u>	<u>\$1,813,878</u>

NOTE 5. INTERFUND BALANCE AND ACTIVITY

Balance due to/from other funds at June 30, 2014, consist of the following:

\$187,115 Due to the General Fund from the Special Revenue Fund for short term loans.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Restated Beginning Balance 6/30/13	Additions	Retirements	Ending Balance 6/30/14
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	<u>1,320,213</u>			<u>1,320,213</u>
Total Capital Assets Not Being Depreciated	<u>1,320,213</u>			<u>1,320,213</u>
Site Improvements	313,485			313,485
Buildings and Building Improvements	7,908,124			7,908,124
Machinery and Equipment	<u>2,686,204</u>	<u>123,094</u>		<u>2,809,298</u>
Totals at Historical Cost	<u>10,907,813</u>	<u>123,094</u>		<u>11,030,907</u>
Less Accumulated Depreciation:				
Sites and Improvements	(171,673)	(11,139)		(182,812)
Buildings and Improvements	(5,797,442)	(184,350)		(5,981,792)
Machinery and Equipment	<u>(2,046,180)</u>	<u>(126,916)</u>		<u>(2,173,096)</u>
Total Accumulated Depreciation	<u>(8,015,295)</u>	<u>(322,405)</u>		<u>(8,337,700)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>2,892,518</u>	<u>(199,311)</u>		<u>2,693,207</u>
Governmental Activities Capital Assets, Net	<u>4,212,731</u>	<u>(199,311)</u>		<u>4,013,420</u>

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 6. CAPITAL ASSETS, (continued)

	Restated Beginning Balance <u>6/30/13</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>6/30/14</u>
Business-Type Activity				
Equipment	<u>63,070</u>	<u> </u>	<u> </u>	<u>63,070</u>
Totals at historical	<u>63,070</u>	<u> </u>	<u> </u>	<u>63,070</u>
Less Accumulated Depreciation for:				
Equipment	<u>(41,351)</u>	<u>(4,205)</u>	<u> </u>	<u>(45,556)</u>
Total Accumulated Depreciation	<u>(41,351)</u>	<u>(4,205)</u>	<u> </u>	<u>(45,556)</u>
Business-Type Activity Capital Assets, Net	<u>21,719</u>	<u>(4,205)</u>	<u> </u>	<u>17,514</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as unallocated depreciation.

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2014 were as follows:

	Balance <u>June 30, 2013</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2014</u>	Amount Due Within <u>One Year</u>
Bonds Payable:					
General Obligation Debt	<u>\$360,000</u>	<u>\$ </u>	<u>\$(65,000)</u>	<u>\$295,000</u>	<u>\$70,000</u>
Total Bonds Payable	<u>360,000</u>	<u> </u>	<u>(65,000)</u>	<u>295,000</u>	<u>70,000</u>
Other Liabilities:					
Loan Obligation Debt	<u>230,300</u>		<u>(230,300)</u>		
Obligations Under Capital Lease	<u>4,524</u>		<u>(4,524)</u>		
Bonds Payable	<u>520,322</u>	<u>27,298</u>	<u>(13,125)</u>	<u>534,495</u>	
Total Other Liabilities	<u>755,146</u>	<u>27,298</u>	<u>(247,949)</u>	<u>534,495</u>	
	<u>1,115,146</u>	<u>\$27,298</u>	<u>(\$312,949)</u>	<u>\$829,495</u>	<u>\$70,000</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 7. LONG-TERM OBLIGATION ACTIVITY, (continued)

Outstanding bonds payable at June 30, 2014 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2014</u>
ERIP Refunding Bonds	10/1/2003	5.50%-5.75%	10/1/2017	<u>\$295,000</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$70,000	\$14,950	\$84,950
2016	70,000	10,925	80,925
2017	75,000	6,756	81,756
2018	<u>80,000</u>	<u>2,300</u>	<u>82,300</u>
	<u>\$295,000</u>	<u>\$34,931</u>	<u>\$329,931</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2014 the Board has no authorized but not issued bonds.

NOTE 8. OPERATING LEASES

The District has commitments to lease certain office equipment and a building for classroom use under operating leases that expire in 2019. Total operating lease payments made during the year ended June 30, 2014 were \$173,568. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$312,064
2016	180,774
2017	39,967
2018	27,138
2019	<u>13,569</u>
	<u>\$573,512</u>

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 9. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus

Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 9. PENSION PLANS, (continued)

an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year <u>Ending</u>	
6/30/14	\$155,055
6/30/13	136,876
6/30/12	160,975

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits and NCGI Premium were as follows:

Year <u>Ending</u>	Pension <u>Contributions</u>	Post-Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>
6/30/14	\$239,344	\$427,074	\$21,126
6/30/13	390,985	465,366	20,571
6/30/12	188,995	420,701	20,282

During the year ended June 30, 2014, the State of New Jersey contributed \$687,544 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$566,215 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Valic
Equitable
Prudential Financial

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 12. RISK MANAGEMENT, (continued)

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this method, the District remits all contributions directly to the State of New Jersey Unemployment Trust Fund.

NOTE 13. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Fairview Board of Education by inclusion of \$552,000 on July 25, 2012 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	\$852,000
Deposits Approved by Board Resolution	<u>400,000</u>
Ending Balance, June 30, 2014	<u>\$1,252,000</u>

NOTE 14. TUITION RESERVE

A tuition reserve was established by the Fairview Board of Education by inclusion of \$520,000 on July 25, 2012 for the accumulation of funds for use in subsequent fiscal years. The reserve for tuition is maintained in the general fund. The tuition reserve represent a year end fund balance classification to reserve unrestricted fund balance for a foreseeable future tuition adjustment pursuant to N.J.A.C. 6A:23A-17.1(f). The tuition reserve enables the District to reserve fund balance for an anticipated large tuition adjustment for the current contract year. The major contributing factor for tuition adjustments and use of the reserve is a significant change from estimated to the actual enrollment.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 14. TUITION RESERVE, (continued)

The activity of the Tuition Reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	\$325,000
Increased by:	
Deposits Approved by Board Resolution	200,000
Decreased by:	
Budget Appropriations	<u>(200,000)</u>
Ending Balance, June 30, 2014	<u>\$325,000</u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$2,417,897 General Fund fund balance at June 30, 2014, \$447,942 is reserved for encumbrances; \$383,447 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$184,306 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015; \$1,252,000 has been reserved in the Capital Reserve Account; \$325,000 has been reserved in the Tuition Reserve Account; \$158,785 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ended June 30, 2015; \$(149,277) is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund balance at June 30, 2014 of \$3 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$383,447. Of this amount, \$199,141 is the result of current year's operations.

NOTE 17. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**Fairview Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 17. CONTINGENT LIABILITIES, (continued)

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 18. SUBSEQUENT EVENTS

The Board has evaluated subsequent events through October 8, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	13,184,444		13,184,444	13,184,444	
Tuition from Summer School	14,000		14,000	13,050	(950)
Interest Earned on Capital Reserve Funds	100		100		(100)
Unrestricted Miscellaneous Revenues	2,000		2,000	90,075	88,075
Total - Local Sources	<u>13,200,544</u>		<u>13,200,544</u>	<u>13,287,569</u>	<u>87,025</u>
Revenues from State Sources:					
Categorical Special Education Aid	947,543		947,543	947,543	
Equalization Aid	5,842,254		5,842,254	5,842,254	
Categorical Security Aid	109,205		109,205	109,205	
Categorical Transportation Aid	31,122		31,122	31,122	
Under Adequacy Aid	428,905		428,905	428,905	
Extraordinary Aid				141,693	141,693
Other State Aids				52,782	52,782
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				427,074	427,074
On-behalf TPAF Pension and NCGI Premium				260,470	260,470
Reimbursed TPAF Social Security Contributions (non-budgeted)				566,215	566,215
Total - State Sources	<u>7,359,029</u>		<u>7,359,029</u>	<u>8,807,263</u>	<u>1,448,234</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	29,623		29,623	99,888	70,265
Total - Federal Sources	<u>29,623</u>		<u>29,623</u>	<u>99,888</u>	<u>70,265</u>
TOTAL REVENUES	<u>20,589,196</u>		<u>20,589,196</u>	<u>22,194,720</u>	<u>1,605,524</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	136,702	(14,158)	122,544	122,544	
Kindergarten - Salaries of Teachers	276,753	56,734	333,487	332,947	540
Grades 1-5 - Salaries of Teachers	1,712,098	(9,185)	1,702,913	1,686,143	16,770
Grades 6-8 - Salaries of Teachers	807,454	338,808	1,146,262	1,145,272	990
Regular Programs - Home Instruction:					
Salaries of Teachers	11,500	865	12,365	10,690	1,675
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	127,135	(21,556)	105,579	105,535	44
Other Purchased Services (400-500 series)	16,500	28,210	44,710	44,710	
General Supplies	222,938	82,068	305,006	244,509	60,497
Textbooks	87,395	115,284	202,679	52,908	149,771
Other Objects	35,000	75,763	110,763	110,126	637
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>3,433,475</u>	<u>652,833</u>	<u>4,086,308</u>	<u>3,855,384</u>	<u>230,924</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	254,146	47,718	301,864	301,864	
Other Salaries for Instruction	58,764	32,674	91,438	91,388	50
General Supplies	3,142	209	3,351	3,297	54
Textbooks	5,091		5,091	5,007	84
Other Objects	250	(208)	42		42
Total Learning and/or Language Disabilities	<u>321,393</u>	<u>80,393</u>	<u>401,786</u>	<u>401,556</u>	<u>230</u>
Resource Room/Resource Center:					
Salaries of Teachers	612,892	(17,506)	595,386	595,386	
General Supplies	1,041	1,001	2,042	2,042	
Textbooks	2,751	(701)	2,050	1,888	162
Other Objects	500	(300)	200	102	98
Total Resource Room/Resource Center	<u>617,184</u>	<u>(17,506)</u>	<u>599,678</u>	<u>599,418</u>	<u>260</u>
Autism:					
Salaries of Teachers		49,795	49,795	49,795	
Other Salaries for Instruction	32,910	(16,322)	16,588	16,588	
Total Preschool Disabilities - Part Time	<u>32,910</u>	<u>33,473</u>	<u>66,383</u>	<u>66,383</u>	
Preschool Disabilities- Full-Time:					
Salaries of Teachers	153,163	21,164	174,327	174,327	
Other Salaries for Instruction	8,511	39,556	48,067	48,067	
General Supplies	500		500		500
Other Objects	250		250		250
Total Preschool Disabilities - Full-Time	<u>162,424</u>	<u>60,720</u>	<u>223,144</u>	<u>222,394</u>	<u>750</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,133,911</u>	<u>157,080</u>	<u>1,290,991</u>	<u>1,289,751</u>	<u>1,240</u>

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	428,612	(97,353)	331,259	331,259	
General Supplies	2,508	(974)	1,534	437	1,097
Textbooks		500	500	189	311
Total Basic Skills/Remedial - Instruction	431,120	(97,827)	333,293	331,885	1,408
Bilingual Education - Instruction					
Salaries of Teachers	301,601	148,729	450,330	450,330	
Other Salaries for Instruction		16,327	16,327	16,327	
General Supplies	3,226		3,226	2,954	272
Textbooks	983		983	184	799
Other Objects	300		300		300
Total Bilingual Education - Instruction	306,110	165,056	471,166	469,795	1,371
School-Sponsored Cocurricular Activities - Instruction					
Salaries	22,627	(1,655)	20,972	13,958	7,014
Supplies and Materials	500		500		500
Total School-Sponsored Cocurricular Activities - Instruction	23,127	(1,655)	21,472	13,958	7,514
School-Sponsored Athletics - Instruction					
Salaries	14,590	585	15,175	15,175	
Supplies and Materials	1,000	3,070	4,070	4,070	
Other Objects	2,000	(2,000)			
Total School-Sponsored Athletics - Instruction	17,590	1,655	19,245	19,245	
Summer School - Instruction					
Salaries of Teachers	21,000		21,000		21,000
Total Summer School Programs Instruction	21,000		21,000		21,000
TOTAL INSTRUCTION	5,366,333	877,142	6,243,475	5,980,018	263,457
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	5,404,520	(253,613)	5,150,907	4,952,267	198,640
Tuition to Other LEAs Within the State - Special	1,983,024	(440,804)	1,542,220	1,287,244	254,976
Tuition to County Voc. School Dist. - Regular	93,500	15,439	108,939	106,730	2,209
Tuition to County Voc. School Dist. - Special	26,100		26,100	26,100	
Tuition to CSSD & Regional Day Schools	858,708	(234,142)	624,566	610,094	14,472
Tuition to Private Schools for the Handicapped - Within State	690,485	(270,932)	419,553	230,386	189,167
Total Undistributed Expenditures - Instruction:	9,056,337	(1,184,052)	7,872,285	7,212,821	659,464
Undistributed Expend. - Attend. & Social Work					
Salaries	148,155	53,115	201,270	201,270	
Total Undistributed Expend. - Attend. & Social Work	148,155	53,115	201,270	201,270	
Undist. Expend. - Health Services					
Salaries	215,966	(59,016)	156,950	156,950	
Purchased Professional and Technical Services	35,000	23,326	58,326	54,276	4,050
Supplies and Materials	4,500	825	5,325	4,999	326
Total Undistributed Expenditures - Health Services	255,466	(34,865)	220,601	216,225	4,376
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	183,886	37,009	220,895	220,895	
Purchased Prof. Services-Educational Services	45,000	223,810	268,810	268,810	
Supplies and Materials	500		500		500
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	229,386	260,819	490,205	489,705	500
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	276,823	70,971	347,794	347,794	
Salaries of Secretarial and Clerical Assistants	83,875	4,316	88,191	88,191	
Total Undist. Expend. - Child Study Teams	360,698	75,287	435,985	435,985	
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	60,785	(7,042)	53,743	53,743	
Supplies and Materials	1,000	(348)	652	452	200
Other Objects	500	(500)			
Total Undist. Expend. - Educational Media Serv./Sch. Library	62,285	(7,890)	54,395	54,195	200
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	3,600		3,600	202	3,398
Total Undist. Expend. - Instructional Staff Training Serv.	3,600		3,600	202	3,398
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	360,167	(28,541)	331,626	331,626	
Legal Services	52,000	6,795	58,795	58,795	
Audit Fees	68,000	(1,875)	66,125	30,370	35,755
Architectural/Engineering Services	18,000	2,959	20,959	20,959	
Purchased Technical Services	20,000	(7,709)	12,291	12,291	
Communications/Telephone	15,000	446	15,446	15,030	416
Other Purch Services (400-500 Series)	108,700	(9,651)	99,049	99,049	
General Supplies	27,000	13,898	40,898	38,716	2,182
Misc. Expenditures	25,000	414	25,414	25,414	
BOE Membership Dues and Fees	9,800	(612)	9,188	9,188	
Total Undist. Expend. - Supp. Serv. - General Administration	703,667	(23,876)	679,791	641,438	38,353
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	350,815	5,960	356,775	356,775	
Salaries of Secretarial and Clerical Assistants	150,270	14,614	164,884	164,209	675
Total Undist. Expend. - Support Serv. - School Administration	501,085	20,574	521,659	520,984	675

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Support Serv. - Central Services					
Salaries	418,441	13,928	432,369	431,628	741
Supplies and Materials	22,500	2,900	25,400	24,787	613
Total Undist. Expend. - Support Serv. - Central Services	440,941	16,828	457,769	456,415	1,354
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	35,968	(464)	35,504	35,504	
Other Purch Services (400-500 Series)	6,000	(5,750)	250	250	
Total Undist. Expend. - Support Serv. - Administrative					
Information Technology	41,968	(6,214)	35,754	35,754	
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	61,006	978	61,984	61,984	
Cleaning, Repair and Maintenance Services	50,000	1,260	51,260	49,158	2,102
General Supplies	25,000		25,000	16,008	8,992
Undist. Expend. - Required Maint. for School Facilities	136,006	2,238	138,244	127,150	11,094
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	490,284	(31,244)	459,040	458,059	981
Purchased Prof. And Tech. Services	2,500	238	2,738	2,738	
Cleaning, Repair and Maintenance Services	160,000	54,147	214,147	200,617	13,530
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	151,668		151,668	147,249	4,419
Other Purchased Property Services	10,000	3,538	13,538	11,961	1,577
Insurance	128,000	(128,000)			
Miscellaneous Purchased Services	2,000	16,777	18,777	18,198	579
General Supplies	50,000	18,029	68,029	68,029	
Energy (Energy and Electricity)	180,000	(106,958)	73,042	59,250	13,792
Energy (Natural Gas)	78,000	89,981	167,981	141,301	26,680
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,252,452	(83,492)	1,168,960	1,107,402	61,558
Undist. Expend. - Security					
Salaries	79,395	76,124	155,519	155,519	
Total Undist. Expend. - Security	79,395	76,124	155,519	155,519	
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet. Home & Sch.) - Regular	50,273	(38,802)	11,471	11,456	15
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	73,687	80,616	154,303	152,335	1,968
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	20,000	(12,040)	7,960	7,068	892
Cleaning, Repair and Maintenance Services	4,500	16,821	21,321	13,468	7,853
Lease Purchase Payments - School Buses	12,000	(11,941)	59		59
Contract Services (Between Home & School)-Vendors	29,450	38,594	68,044	67,643	401
Contract Services (Sp. Ed. Students)-Vendors	45,000	40,929	85,929	60,124	25,805
Miscellaneous Purchased Services - Transportation	19,400	509	19,909	19,820	89
General Supplies	20,700	11,249	31,949	31,731	218
Other Objects	400	25	425	425	
Total Undist. Expend. - Student Transportation Services	275,410	125,960	401,370	364,070	37,300
UNALLOCATED BENEFITS					
Social Security Contributions	132,000	8,680	140,680	140,570	110
T.P.A.F. Contributions - ERIP	83,750	(82,359)	1,391		1,391
Other Retirement Contributions-PERS	175,000	(8,680)	166,320	152,281	14,039
Unemployment Compensation	32,000	2,244	34,244	21,894	12,350
Workmen's Compensation		129,931	129,931	129,931	
Health Benefits	1,760,052	(62,843)	1,697,209	1,532,438	164,771
Other Employee Benefits	123,985	7,719	131,704	131,704	
TOTAL UNALLOCATED BENEFITS	2,306,787	(5,308)	2,301,479	2,108,818	192,661
On-behalf TPAF Post-Retirement Medical (non-budgeted)				427,074	(427,074)
On-behalf TPAF Pension and NCGI Premium (non-budgeted)				260,470	(260,470)
Reimbursed TPAF Social Security Contributions (non-budgeted)				566,215	(566,215)
TOTAL ON-BEHALF CONTRIBUTIONS				1,253,759	(1,253,759)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,306,787	(5,308)	2,301,479	3,362,577	(1,061,098)
TOTAL UNDISTRIBUTED EXPENDITURES	15,853,638	(714,752)	15,138,886	15,381,712	(242,826)
TOTAL GENERAL CURRENT EXPENSE	21,219,971	162,390	21,382,361	21,361,730	20,631
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	21,000		21,000	21,000	
Total Summer School - Instruction	21,000		21,000	21,000	
Total Post Secondary Programs	21,000		21,000	21,000	
TOTAL SPECIAL SCHOOLS	21,000		21,000	21,000	
TOTAL EXPENDITURES	21,240,971	162,390	21,403,361	21,382,730	20,631
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(651,775)	(162,390)	(814,165)	811,990	1,626,155

Exhibit C-1

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfers to Cover Deficit (Enterprise Fund)	(11,000)		(11,000)	(4,799)	(6,201)
Total Other Financing Sources/(Uses):	<u>(11,000)</u>		<u>(11,000)</u>	<u>(4,799)</u>	<u>(6,201)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(662,775)	(162,390)	(825,165)	807,191	1,632,356
Fund Balance, July 1	2,304,255		2,304,255	2,304,255	
Fund Balance, June 30	<u>1,641,480</u>	<u>(162,390)</u>	<u>1,479,090</u>	<u>3,111,446</u>	<u>1,632,356</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(176,631)		(176,631)	(176,631)	
Increase in Capital Reserve:					
Principal				400,000	(400,000)
Interest Deposit to Capital Reserve	100		100		100
Increase in Tuition Reserve				200,000	(200,000)
Withdrawal from Tuition Reserve - for Tuition Adj.	(200,000)		(200,000)	(200,000)	
Withdrawal from Capital Reserve	(100,000)		(100,000)		(100,000)
Budgeted Fund Balance	<u>(186,244)</u>	<u>(162,390)</u>	<u>(348,634)</u>	<u>583,822</u>	<u>2,332,256</u>
	<u>(662,775)</u>	<u>(162,390)</u>	<u>(825,165)</u>	<u>807,191</u>	<u>1,632,356</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				199,141	
Excess Surplus - Designated for Subsequent Year's Expenditures				184,306	
Tuition Reserve - Designated for Subsequent Year's Budget				325,000	
Capital Reserve				1,252,000	
Assigned Fund Balance:					
Year-end Encumbrances				447,942	
Designated for Subsequent Year's Expenditures				158,785	
Unassigned Fund Balance				<u>544,272</u>	
Total Fund Balance per Governmental Funds (Budgetary)				3,111,446	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				693,549	
Total Fund Balance per Governmental Funds (GAAP)				<u>2,417,897</u>	

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		5,000	5,000	5,000	-
State Sources	275,634	16,618	292,252	280,003	12,249
Federal Sources	1,199,186	331,198	1,530,384	1,465,528	64,856
Total Revenues	1,474,820	352,816	1,827,636	1,750,531	77,105
EXPENDITURES:					
Instruction:					
Salaries of Teachers	654,760	127,696	782,456	771,116	11,340
Other Salaries for Instruction	8,000	-	8,000	8,000	-
Purchased Professional and Technical Services	148,730	11,030	159,760	147,516	12,244
Other Purchased Services (400-500 series)	324,148	18,091	342,239	342,239	-
General Supplies	3,000	63,256	66,256	63,851	2,405
Textbooks	12,855	2,174	15,029	15,024	5
Other Objects	5,000	-	5,000	3,952	1,048
Total instruction	1,156,493	222,247	1,378,740	1,351,698	27,042
Support services:					
Salaries of Supervisors of Instruction	6,000	-	6,000	6,000	-
Salaries of Program Directors	20,000	18,768	38,768	38,768	-
Salaries of Other Professional Staff	14,481	18,223	32,704	14,481	18,223
Salaries of Secretarial and Clerical Assistants	44,628	(24,713)	19,915	5,024	14,891
Other Salaries		15,095	15,095	15,095	-
Personal Services - Employee Benefits	100,977	66,303	167,280	163,878	3,402
Other Purchased Professional Services	110,648	25,988	136,636	121,279	15,357
Other Purchased Services (400-500 series)	2,600	9,235	11,835	10,434	1,401
Supplies & Materials	14,137	1,046	15,183	14,801	382
Total support services	313,471	129,945	443,416	393,353	50,063
Facilities acquisition and const. serv.:					
Instructional Equipment	4,856	624	5,480	5,480	-
Total facilities acquisition and const. serv.	4,856	624	5,480	5,480	-
Total Expenditures	1,474,820	352,816	1,827,636	1,750,531	77,105
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

FAIRVIEW BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
Fiscal Year Ended June 30, 2014

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	22,194,720	1,750,531
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			17,315
Current Year			(28,445)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		647,907	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(693,549)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>22,149,078</u>	<u>1,739,401</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	21,382,730	1,750,531
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Prior Year			17,315
Current Year			(28,445)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>21,382,730</u>	<u>1,739,401</u>

SPECIAL REVENUE FUND

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1a)	LOWES Grant	IDEA Part - B	IDEA Preschool	NCLB Title I	Title II, Part A Training & Recruiting	Totals 2014
REVENUES							
Local Sources	-	5,000					5,000
State Sources	280,003						280,003
Federal Sources	36,893		424,968	8,837	946,897	47,933	1,465,528
Total Revenues	316,896	5,000	424,968	8,837	946,897	47,933	1,750,531
EXPENDITURES:							
Instruction:							
Salaries of Teachers	46,940				724,176		771,116
Other Salaries for Instruction	8,000						8,000
Purchased Professional and Technical Services	147,516						147,516
Other Purchased Services (400-500 series)	-		334,323	7,916			342,239
General Supplies	24,501		2,467		36,883		63,851
Textbooks	15,024						15,024
Other Objects	-		3,952				3,952
Total Instruction	241,981	-	340,742	7,916	761,059	-	1,351,698
Support services:							
Salaries of Supervisors of Instruction	6,000						6,000
Salaries of Program Directors	20,000		18,768				38,768
Salaries of Other Professional Staff	-		14,481				14,481
Salaries of Secretarial and Clerical Assistants	5,024						5,024
Other Salaries	-		15,095		152,350		150,995
Personal Services - Employee Benefits	8,260		3,268				163,878
Purchased Professional - Educational Services	3,593						3,593
Other Purchased Professional Services	21,153		32,278	921	21,317	45,610	121,279
Other Purchased Services (400-500 series)	405	5,000	336		2,370	2,323	10,434
Supplies & Materials	5,000				9,801		14,801
Total support services	69,435	5,000	84,226	921	185,838	47,933	393,353
Facilities acquisition and const. serv.:							
Instructional Equipment	5,480						5,480
Total facilities acquisition and const. serv.	5,480	-	-	-	-	-	5,480
Total Expenditures	316,896	5,000	424,968	8,837	946,897	47,933	1,750,531
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1b)	NCLB Title III	NCLB Title III Immigrant	Nonpublic Nursing	Nonpublic Technology	Chapter 194 Nonpublic Textbook	Total Carried Forward
REVENUES							
Local Sources	-	-	-	-	-	-	-
State Sources	238,346	21,908	14,985	21,153	5,480	15,024	280,003
Federal Sources	-	-	-	-	-	-	36,893
Total Revenues	238,346	21,908	14,985	21,153	5,480	15,024	316,896
EXPENDITURES:							
Instruction:							
Salaries of Teachers	41,000	5,940	-	-	-	-	46,940
Other Salaries for Instruction	8,000	-	-	-	-	-	8,000
Purchased Professional and Technical Services	147,516	-	-	-	-	-	147,516
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-
General Supplies	3,000	11,516	9,985	-	-	15,024	24,501
Textbooks	-	-	-	-	-	-	15,024
Other Objects	-	-	-	-	-	-	-
Total instruction	199,516	17,456	9,985	-	-	15,024	241,981
Support services:							
Salaries of Supervisors of Instruction	6,000	-	-	-	-	-	6,000
Salaries of Program Directors	20,000	-	-	-	-	-	20,000
Salaries of Other Professional Staff	-	-	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	5,024	-	-	-	-	-	5,024
Other Salaries	-	-	-	-	-	-	-
Personal Services - Employee Benefits	7,806	454	-	-	-	-	8,260
Purchased Professional - Educational Services	-	3,593	-	-	-	-	3,593
Other Purchased Professional Services	-	-	-	21,153	-	-	21,153
Other Purchased Services (400-500 series)	-	405	-	-	-	-	405
Supplies & Materials	-	-	5,000	-	-	-	5,000
Total support services	38,830	4,452	5,000	21,153	-	-	69,435
Facilities acquisition and const. serv.:							
Instructional Equipment	-	-	-	-	5,480	-	5,480
Total facilities acquisition and const. serv.	-	-	-	-	5,480	-	5,480
Total Expenditures	238,346	21,908	14,985	21,153	5,480	15,024	316,896
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2014

	Chapter 192 Compensatory Education	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Preschool Education Aid	Total Carried Forward
REVENUES							
Local Sources	84,057	16,323	8,187	19,263	19,686	90,830	238,346
State Sources							
Federal Sources							
Total Revenues	84,057	16,323	8,187	19,263	19,686	90,830	238,346
EXPENDITURES:							
Instruction:							
Salaries of Teachers						41,000	41,000
Other Salaries for Instruction						8,000	8,000
Purchased Professional and Technical Services	84,057	16,323	8,187	19,263	19,686		147,516
Other Purchased Services (400-500 series)						3,000	3,000
General Supplies							
Textbooks							
Other Objects							
Total instruction	84,057	16,323	8,187	19,263	19,686	52,000	199,516
Support services:							
Salaries of Supervisors of Instruction						6,000	6,000
Salaries of Program Directors						20,000	20,000
Salaries of Other Professional Staff							
Salaries of Secretarial and Clerical Assistants						5,024	5,024
Other Salaries						7,806	7,806
Personal Services - Employee Benefits							
Purchased Professional - Educational Services							
Other Purchased Professional Services							
Other Purchased Services (400-500 series)							
Supplies & Materials							
Total support services						38,830	38,830
Facilities acquisition and const. serv.:							
Instructional Equipment							
Total facilities acquisition and const. serv.							
Total Expenditures	84,057	16,323	8,187	19,263	19,686	90,830	238,346
Excess (Deficiency) of Revenues Over (Under)							
Expenditures and Other Financing Sources (Uses)							

FAIRVIEW BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2014

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	41,000	41,000	
Other salaries for instruction	8,000	8,000	
General supplies	3,000	3,000	
Total instruction	<u>52,000</u>	<u>52,000</u>	
Support services:			
Salaries of Supervisors of Instruction	6,000	6,000	
Salaries of Program Directors	20,000	20,000	
Salaries of Secr. and Clerical Assistants	5,024	5,024	
Personal Services - Employee Benefits	7,806	7,806	
Total support services	<u>38,830</u>	<u>38,830</u>	
Total expenditures	<u>90,830</u>	<u>90,830</u>	

<u>Summary of Location Totals</u>	
Total revised 2013-14 Preschool Education Aid	90,830
Add: Actual Carryover (June 30, 2013)	
Add: Budgeted Transfer from the General Fund 2013-14	
Total Preschool Education Aid Funds Available for 2013-14 Budget	<u>90,830</u>
Less: 2012-13 Budgeted Preschool Education Aid	
prior year budgeted carryover)	<u>90,830</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2014	
Add: June 30, 2014 Unexpended Preschool Education Aid	
2013-14 Carryover - Preschool Education Aid/Preschool	
2013-14 Preschool Education Aid Carryover	
Budgeted for Preschool Programs 2014-15	

PROPRIETARY FUNDS

Exhibit G-1

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2014

	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	7,803	7,803
Accounts receivable:		
State	1,020	1,020
Federal	38,412	38,412
Total current assets	<u>47,235</u>	<u>47,235</u>
Noncurrent assets:		
Capital assets:		
Equipment	63,070	63,070
Less accumulated depreciation	<u>(45,556)</u>	<u>(45,556)</u>
Total capital assets (net of accumulated depreciation)	<u>17,514</u>	<u>17,514</u>
Total assets	<u>64,749</u>	<u>64,749</u>
NET POSITION		
Net Investment in Capital Assets	17,514	17,514
Unrestricted	<u>47,235</u>	<u>47,235</u>
Total net position	<u><u>64,749</u></u>	<u><u>64,749</u></u>

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2014

	<u>Food Service Program</u>	<u>Totals</u>
Operating revenues:		
Charges for services:		
Daily sales	31,041	31,041
Total operating revenues	<u>31,041</u>	<u>31,041</u>
 Operating expenses:		
Cost of food	57,117	57,117
Depreciation	4,205	4,205
Purchased services	328,149	328,149
Total Operating Expenses	<u>389,471</u>	<u>389,471</u>
Operating income (loss)	<u>(358,430)</u>	<u>(358,430)</u>
 Nonoperating revenues (expenses):		
State sources:		
School lunch program	6,540	6,540
Federal sources:		
School lunch program	317,604	317,604
School breakfast program	38,039	38,039
Prior year HHFKA program	2,059	2,059
Interest Income	49	49
Total nonoperating revenues (expenses)	<u>364,291</u>	<u>364,291</u>
Income (loss) before contributions & transfers	5,861	5,861
 Other financing sources/(uses):		
Transfer In	4,799	4,799
Change in net position	<u>10,660</u>	<u>10,660</u>
 Total net position—beginning	54,089	54,089
Total net position—ending	<u><u>64,749</u></u>	<u><u>64,749</u></u>

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2014

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	31,041	31,041
Payments to suppliers	<u>(412,169)</u>	<u>(412,169)</u>
Net cash provided by (used for) operating activities	<u>(381,128)</u>	<u>(381,128)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	6,415	6,415
Federal Sources	344,761	344,761
Prior Year HHFKA	2,059	2,059
Transfer In	<u>4,799</u>	<u>4,799</u>
Net cash provided by (used for) non-capital financing activities	<u>358,034</u>	<u>358,034</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	<u>49</u>	<u>49</u>
Net cash provided by (used for) investing activities	<u>49</u>	<u>49</u>
Net increase (decrease) in cash and cash equivalents	<u>(23,045)</u>	<u>(23,045)</u>
Balances—beginning of year	<u>30,848</u>	<u>30,848</u>
Balances—end of year	<u><u>7,803</u></u>	<u><u>7,803</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(358,430)	(358,430)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	4,205	4,205
Increase (decrease) in accounts payable	<u>(26,903)</u>	<u>(26,903)</u>
Total adjustments	<u>(22,698)</u>	<u>(22,698)</u>
Net cash provided by (used for) operating activities	<u><u>(381,128)</u></u>	<u><u>(381,128)</u></u>

FIDUCIARY FUND

FAIRVIEW BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	323,338
Total assets	<u>323,338</u>
LIABILITIES	
Payable to student groups	21,341
Payroll deductions and withholdings	301,995
Region VI Fund	<u>2</u>
Total liabilities	<u><u>323,338</u></u>

**FAIRVIEW BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2014**

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2014</u>
Elementary Schools:				
Lincoln School	<u>22,879</u>	<u>45,787</u>	<u>47,325</u>	<u>21,341</u>
Total Elementary Schools	<u>22,879</u>	<u>45,787</u>	<u>47,325</u>	<u>21,341</u>
Total All Schools	<u><u>22,879</u></u>	<u><u>45,787</u></u>	<u><u>47,325</u></u>	<u><u>21,341</u></u>

FAIRVIEW BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2014

	<u>Balance July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2013</u>
Net Payroll	142,201	9,917,250	9,923,472	135,979
Payroll Deductions and Withholdings	78,703	5,400,653	5,313,340	166,016
	<u>220,904</u>	<u>15,317,903</u>	<u>15,236,812</u>	<u>301,995</u>

FAIRVIEW BOARD OF EDUCATION
Region VI Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2014</u>
Region VI Fund	<u>3</u>	<u>3,429</u>	<u>3,430</u>	<u>2</u>
Total Region VI Fund	<u><u>3</u></u>	<u><u>3,429</u></u>	<u><u>3,430</u></u>	<u><u>2</u></u>

LONG-TERM DEBT

FAIRVIEW BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
Fiscal Year Ended June 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2013</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
			<u>Date</u>	<u>Amount</u>				
Pension Refunding Bonds	Oct. 1, 2003	800,000	10/1/2014	70,000	5.75%	360,000	65,000	295,000
			10/1/2015	70,000	5.75%			
			10/1/2016	75,000	5.75%			
			10/1/2017	80,000	5.75%			
						<u>\$ 360,000</u>	<u>65,000</u>	<u>295,000</u>

FAIRVIEW BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2014

<u>Issue</u>	<u>Date of Lease</u>	<u>Amount of Lease</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2013</u>	<u>Retired</u>
			<u>Date</u>	<u>Amount</u>			
Apple I-Pads and Cart	Feb. 10, 2012	12,040			\$	4,524	4,524
					\$	<u>4,524</u>	<u>4,524</u>

FAIRVIEW BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	272,945	-	272,945	272,945	-
Total Local Sources	272,945	-	272,945	272,945	-
State Sources:					
Debt Service Aid Type II	46,342	-	46,342	46,342	-
Total - State Sources	46,342	-	46,342	46,342	-
Total Revenues	319,287	-	319,287	319,287	-
EXPENDITURES:					
Regular Debt Service:					
Interest - Intergovernmental Loans	5,240	-	5,240	5,239	(1)
Interest - Pension Refunding Bonds	18,750	-	18,750	18,750	-
Redemption of Principal - Intergovernmental Loans	230,300	-	230,300	230,300	-
Redemption of Principal - Pension Refunding Bonds	65,000	-	65,000	65,000	-
Total Regular Debt Service	319,290	-	319,290	319,289	(1)
Total expenditures	319,290	-	319,290	319,289	(1)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3)	-	(3)	(2)	1
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(3)	-	(3)	(2)	1
Fund Balance, July 1	5	-	5	5	-
Fund Balance, June 30	2	-	2	3	1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(3)	-	(3)	(2)	1
Total	(3)	-	(3)	(2)	1

FAIRVIEW BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Loans Payable
Fiscal Year Ended June 30, 2014

	<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2013</u>	<u>Retired</u>
				<u>Date</u>	<u>Amount</u>			
Safe Loan (050-93)		Aug. 18, 1993	275,091				14,479	14,479
Small Project (050-93)		Aug. 18, 1993	825,275				61,141	61,141
Safe Loan (051-93)		Aug. 18, 1993	577,258				30,382	30,382
Small Project (051-93)		Aug. 18, 1993	1,731,774				124,298	124,298
						\$	<u>230,300</u>	<u>230,300</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

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- J-1 Net Assets/Position by Component
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- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

Fairview Board of Education
Net Assets/Position* by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	Restated 2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 4,264,059	\$ 4,129,379	\$ 4,049,055	\$ 3,942,345	\$ 3,968,393	\$ 3,910,325	\$ 3,979,449	\$ 4,162,814	\$ 3,629,574	\$ 3,727,754
Restricted	600,998	750,002	650,002	670,002	420,001	520,001	520,003	1,072,003	1,547,555	2,567,177
Unrestricted	(704,240)	(732,944)	(895,136)	(1,058,814)	(1,531,910)	(1,741,474)	(1,333,196)	(740,638)	(416,505)	(685,892)
Total governmental activities net assets/position	\$ 4,160,817	\$ 4,146,437	\$ 3,803,921	\$ 3,553,533	\$ 2,856,484	\$ 2,688,852	\$ 3,166,256	\$ 4,494,179	\$ 4,760,624	\$ 5,609,039
Business-type activities										
Net investment in capital assets	\$ 3,528	\$ 3,087	\$ 2,646	\$ 2,205	\$ 1,764	\$ 5,699	\$ 4,869	\$ 4,039	\$ 21,719	\$ 17,514
Restricted	47,186	43,449	40,229	38,860	13,974	4,828	11,809	25,851	32,370	47,235
Unrestricted	\$ 50,714	\$ 46,536	\$ 42,875	\$ 41,065	\$ 15,738	\$ 10,527	\$ 16,678	\$ 29,890	\$ 54,089	\$ 64,749
Total business-type activities net assets/position										
District-wide										
Net investment in capital assets	\$ 4,267,587	\$ 4,132,466	\$ 4,051,701	\$ 3,944,550	\$ 3,970,157	\$ 3,916,024	\$ 3,984,318	\$ 4,166,853	\$ 3,651,293	\$ 3,745,268
Restricted	600,998	750,002	650,002	670,002	420,001	520,001	520,003	1,072,003	1,547,555	2,567,177
Unrestricted	(657,054)	(689,495)	(854,907)	(1,019,954)	(1,517,936)	(1,736,646)	(1,321,387)	(714,787)	(384,135)	(638,657)
Total district net assets/position	\$ 4,211,531	\$ 4,192,973	\$ 3,846,796	\$ 3,594,598	\$ 2,872,222	\$ 2,699,379	\$ 3,182,934	\$ 4,524,069	\$ 4,814,713	\$ 5,673,788

Source: CAFR Schedule A-1

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2014 which changed Net Assets to Net Position.

Fairview Board of Education
Changes in Net Assets/Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	\$ 8,512,205	\$ 8,950,662	\$ 9,719,972	\$ 9,626,439	\$ 10,738,221	\$ 10,743,019	\$ 10,761,698	\$ 3,782,768	\$ 4,420,441	\$ 4,624,714
Special education	3,246,438	2,864,393	3,511,497	3,746,516	3,542,767	4,011,801	4,016,907	2,236,828	2,304,755	2,975,019
Other special education	1,170,237	838,432	909,259	842,326	1,090,300	916,763	961,057	814,909	823,416	1,000,664
Other instruction	48,241	40,651	41,988	49,326	50,781	49,329	47,425	41,813	41,975	40,468
Support Services:										
Tuition										
Student & instruction related services	1,207,567	1,501,495	1,367,511	1,664,902	1,654,223	1,956,145	1,899,435	7,731,156	8,369,482	7,212,821
General administrative services	702,207	698,363	712,091	650,565	827,734	725,122	511,182	1,800,445	1,873,252	2,031,343
School administrative services	448,764	392,164	443,054	353,492	639,492	698,908	692,238	710,932	720,155	711,639
Central Administration	391,343	456,995	476,990	444,852	560,421	597,415	554,815	558,411	619,650	650,907
Plant operations and maintenance	1,596,267	1,728,644	1,908,092	1,987,125	2,003,792	1,908,765	1,563,608	1,241,884	1,545,544	608,662
Pupil transportation	288,319	319,329	305,124	348,583	262,222	233,296	234,660	186,349	218,119	1,492,204
Unallocated Benefits								1,061,662	1,008,799	365,833
Special Schools								21,000	21,000	1,267,932
Charter Schools								11,981	12,164	21,000
Interest on long-term debt	130,626	121,146	111,035	100,419	88,595	73,251	61,444	46,099	27,540	21,128
Unallocated depreciation								366,131	412,071	322,405
Amortization & Capital Lease Obligations								2,000	2,333	2,333
Capital Outlay - nondepreciable									12,109	5,480
Total governmental activities expenses	17,742,214	17,912,274	19,506,613	19,814,545	21,458,548	21,913,814	21,304,469	21,135,019	22,977,913	23,354,552
Business-type activities:										
Food service	199,684	213,851	235,645	265,350	304,344	348,674	353,781	365,909	368,995	389,471
Total business-type activities expense	199,684	213,851	235,645	265,350	304,344	348,674	353,781	365,909	368,995	389,471
Total district expenses	\$ 17,941,898	\$ 18,126,125	\$ 19,742,258	\$ 20,079,895	\$ 21,762,892	\$ 22,262,488	\$ 21,658,250	\$ 21,500,928	\$ 23,346,908	\$ 23,744,023
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	3,767,274	3,760,187	4,244,906	4,257,549	3,567,200	24,300	11,120	1,584,694	1,555,356	1,733,921
Total governmental activities program revenues	3,767,274	3,760,187	4,244,906	4,257,549	3,567,200	5,293,020	4,042,814	1,584,694	1,555,356	1,733,921

Fairview Board of Education
Changes in Net Assets/Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services	42,223	39,309	35,696	30,020	30,389	29,370	41,095	42,373	32,968	31,041
Food service	150,909	168,672	191,820	231,878	245,642	302,184	311,107	334,173	333,015	362,183
Operating grants and contributions	193,132	207,981	227,516	261,898	276,031	331,554	356,869	376,546	365,983	393,224
Total business-type activities/program revenues	\$ 3,960,406	\$ 3,968,168	\$ 4,472,422	\$ 4,519,447	\$ 3,843,231	\$ 5,624,574	\$ 4,399,683	\$ 1,961,240	\$ 1,921,339	\$ 2,127,145
Total district program revenues										
Net (Expense)/Revenue	\$ (13,974,940)	\$ (14,152,087)	\$ (15,261,707)	\$ (15,556,996)	\$ (17,891,348)	\$ (16,620,794)	\$ (17,261,655)	\$ (19,550,325)	\$ (21,422,557)	\$ (21,620,631)
Governmental activities	(6,552)	(5,870)	(8,129)	(3,452)	(28,313)	(17,120,000)	3,088,000	10,637,000	(3,012,000)	3,753
Business-type activities	\$ (13,981,492)	\$ (14,157,957)	\$ (15,269,836)	\$ (15,560,448)	\$ (17,919,661)	\$ (16,637,914)	\$ (17,258,567)	\$ (19,539,688)	\$ (21,425,569)	\$ (21,616,878)
Total district-wide net expense										
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,914,732	\$ 10,312,313	\$ 11,056,569	\$ 11,256,133	\$ 11,529,956	\$ 11,426,385	\$ 12,012,159	\$ 12,333,147	\$ 12,579,810	\$ 13,184,444
Taxes levied for debt service	176,528	298,641	276,896	272,836	273,661	269,118	277,887	273,016	273,133	272,945
Unrestricted grants and contributions	3,424,090	3,304,111	3,312,408	3,655,372	5,234,805	4,637,819	5,376,912	7,966,089	8,744,802	8,861,509
Tuition from Summer School										13,050
Investment earnings	61,997	119,155	140,980	65,157	15,696	9,434	6,719	6,161	5,602	3,457
Miscellaneous income	5,236	76,037	77,608	1,109	86,028	36,770	25,469	15,215	32,087	86,618
State Aid- Restricted for Debt Service	100,644	34,775	58,155	57,643	57,139	56,578	47,643	47,191	46,770	46,342
Loss on Sale of Capital Asset	(3,582)	(7,325)	(3,424)	(1,642)	(2,986)	(7,242)	(7,730)	(2,575)	(5,311)	(4,799)
Transfers										5,480
Federal and State Aid - Capital outlay										22,469,046
Total governmental activities	\$ 13,679,645	\$ 14,137,707	\$ 14,919,192	\$ 15,306,608	\$ 17,194,299	\$ 16,428,862	\$ 17,739,059	\$ 20,638,244	\$ 21,689,002	\$ 22,469,046
Business-type activities:										
Investment earnings	626	1,692	1,044							49
Miscellaneous income										2,059
Transfers	3,582	1,692	3,424	1,642	2,986	7,242	7,730	2,575	5,311	4,799
Total business-type activities	\$ 4,208	\$ 1,692	\$ 4,468	\$ 1,642	\$ 2,986	\$ 7,242	\$ 7,730	\$ 2,575	\$ 5,326	\$ 6,907
Total district-wide	\$ 13,683,853	\$ 14,139,399	\$ 14,923,660	\$ 15,308,250	\$ 17,197,285	\$ 16,436,104	\$ 17,746,789	\$ 20,640,819	\$ 21,694,328	\$ 22,475,953
Change in Net Assets/Position										
Governmental activities	\$ (295,295)	\$ (14,380)	\$ (342,515)	\$ (250,388)	\$ (697,049)	\$ (191,932)	\$ 477,404	\$ 1,087,919	\$ 266,445	\$ 848,415
Business-type activities	(2,344)	(4,178)	(3,661)	(1,810)	(25,327)	(9,878)	10,818	13,212	2,314	10,660
Total district	\$ (297,639)	\$ (18,558)	\$ (346,176)	\$ (252,198)	\$ (722,376)	\$ (201,810)	\$ 488,222	\$ 1,101,131	\$ 268,759	\$ 859,075

Source: CAFR Schedule A-2

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2014 which changed Net Assets to Net Position.

Fairview Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 1,081,446	\$ 1,247,370	\$ 987,928	\$ 989,867	\$ 688,754	\$ 576,800				
Unreserved	392,736	372,481	329,653	192,460	(309,537)	(290,936)	520,000	1,072,000	1,361,306	1,960,447
Restricted							102,552	189,374		
Committed							278,258	574,229	362,875	606,727
Assigned							(356,340)	(207,159)	(67,833)	(149,277)
Unassigned							\$ 544,470	\$ 1,628,444	\$ 1,656,348	\$ 2,417,897
Total general fund	\$ 1,474,182	\$ 1,619,851	\$ 1,317,581	\$ 1,182,327	\$ 379,217	\$ 285,864	\$ 544,470	\$ 1,628,444	\$ 1,656,348	\$ 2,417,897
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund	998	2	(11,346)	(41,166)	(9,489)	(10,087)				
Assigned, reported in:										
Debt service fund										
Total all other governmental funds	\$ 998	\$ 2	\$ (11,346)	\$ (41,166)	\$ (9,489)	\$ (10,087)	\$ -	\$ -	\$ 5	\$ 3

Source: CAFR Schedule B-1

Fairview Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	\$ 10,091,260	\$ 10,610,954	\$ 11,333,465	\$ 11,528,969	\$ 11,803,617	\$ 11,695,503	\$ 12,290,046	\$ 12,606,163	\$ 12,852,943	\$ 13,457,389
Tuition from Summer School						9,434	6,719	6,161	5,602	13,050
Interest earnings	61,997	119,155	140,980	65,157	15,696					3,457
Miscellaneous	5,236	78,537	77,608	1,109	86,028	67,162	36,589	33,528	32,087	86,618
State sources	6,335,422	6,092,626	6,547,396	7,109,565	7,552,543	7,231,564	7,528,188	8,029,646	9,020,976	9,089,121
Federal sources	956,586	1,003,947	1,068,073	860,999	1,306,601	2,749,761	1,928,061	1,578,571	1,338,061	1,558,131
Total revenue	17,450,501	17,905,219	19,167,522	19,565,799	20,764,485	21,753,424	21,789,603	22,254,069	23,249,669	24,207,766
Expenditures										
Instruction										
Regular Instruction	8,293,203	8,883,682	9,729,417	9,604,049	10,732,988	10,713,900	10,805,710	3,094,277	3,670,685	3,855,384
Special education instruction	3,208,869	2,856,582	3,514,955	3,739,742	3,542,211	4,003,314	4,021,590	1,978,014	2,035,331	2,656,458
Other special instruction	1,130,037	831,926	912,079	837,992	1,089,761	910,491	973,109	651,286	658,033	801,680
Other instruction	47,200	40,399	42,093	49,090	50,759	49,003	47,425	33,687	34,064	33,203
Support Services:										
Instruction	1,173,017	1,492,459	1,368,940	1,659,846	1,653,736	1,948,400	1,912,209	7,731,156	8,369,482	7,212,821
Attendance and social work services								130,881	142,313	201,270
Health Services								223,789	218,213	216,225
Student & instruction related services								1,251,592	1,298,104	1,347,301
General administrative services	684,455	691,738	709,610	646,473	825,419	695,092	697,113	629,989	636,641	641,438
School Administrative services	424,222	381,048	436,564	339,821	628,070	710,798	509,861	446,274	494,878	520,984
Business and other support services										
Central administrative services	375,316	453,121	478,608	442,361	560,144	593,357	561,680	421,074	441,037	492,169
Plant operations and maintenance	1,267,286	1,427,339	1,595,277	1,698,325	1,714,479	1,595,386	1,289,053	1,135,263	1,402,051	1,390,071
Pupil transportation	263,955	291,373	275,835	314,940	223,467	204,559	209,905	186,070	217,134	364,070
Allocated employee benefits										
Unallocated employee benefits										
TPAF Pension / Social Security								1,712,794	1,863,931	2,108,818
Summer School Instruction								1,072,598	1,344,444	1,253,759
Charter Schools								21,000	21,000	21,000
Capital outlay								11,981	12,164	
Debt service:								104,881	12,109	5,480
Principal										
Interest and other charges	266,337	275,520	293,022	285,760	315,500	272,731	285,091	290,893	296,478	295,300
Total expenditures	132,157	122,005	113,521	102,176	91,820	77,276	65,303	52,061	38,273	23,989
Excess (Deficiency) of revenues over (under) expenditures	17,266,054	17,851,066	19,521,047	19,774,789	21,578,670	21,840,132	21,523,265	21,179,560	23,206,365	23,441,420
	184,447	54,153	(353,525)	(208,990)	(814,185)	(86,708)	266,338	1,074,509	43,304	766,346

**Fairview Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing sources (uses)										
Capital leases (non-budgeted)		90,250	43,332	45,558	45,738			12,040		
Transfers in										
Transfers out	(3,582)		(3,424)	(1,642)	(2,986)	(7,242)	(7,730)	(2,575)	(5,311)	(4,799)
Total other financing sources (uses)	(3,582)	90,250	39,908	43,916	42,752	(7,242)	(7,730)	9,465	(5,311)	(4,799)
Net change in fund balances	\$ 180,865	\$ 144,403	\$ (313,617)	\$ (165,074)	\$ (771,433)	\$ (93,950)	\$ 258,608	\$ 1,083,974	\$ 37,993	\$ 761,547
Debt service as a percentage of noncapital expenditures	2.3%	2.2%	2.1%	2.0%	1.9%	1.6%	1.6%	1.6%	1.4%	1.4%

NOTE: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

Source: CAFR Schedule B-2 and C-2

Exhibit J-5

**Fairview Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Interest on Investments	Reimb./ Refunds	Transportation		Misc.	Total
			E-Rate	Fees		
2005	61,997				5,236	67,233
2006	119,155				16,282	195,192
2007	140,980				23,094	218,588
2008	65,157				791	66,266
2009	15,696		20,529		58,272	101,724
2010	9,434	16,334	19,856	24,300	6,942	76,866
2011	6,719	5,516	19,450	11,120	503	43,308
2012	6,161	15,215				21,376
2013	5,602	1,346	19,756		3,732	30,436
2014	3,457	60,706	18,890		7,022	90,075

Source: District Records

Fairview Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2004	\$ 6,419,800	\$ 374,238,700			\$ 113,777,500	\$ 47,251,500	\$ 67,432,700	\$ 609,170,200	\$ -	\$ 446,095	\$ 609,616,295	1.650	\$ 843,595,395	72.26%
2005	\$ 7,040,600	\$ 376,778,600			\$ 113,726,000	\$ 46,166,300	\$ 67,939,700	\$ 611,651,200	\$ -	\$ 454,273	\$ 612,105,473	1.690	\$ 970,227,440	63.09%
2006	\$ 7,870,000	\$ 382,556,300			\$ 111,963,200	\$ 46,232,700	\$ 67,644,000	\$ 616,266,200	\$ -	\$ 384,752	\$ 616,650,952	1.780	\$ 1,108,539,690	55.63%
2007	\$ 6,899,600	\$ 388,905,900			\$ 111,908,700	\$ 45,829,800	\$ 66,930,500	\$ 619,574,500	\$ -	\$ 348,389	\$ 619,922,889	1.840	\$ 1,266,224,921	48.96%
2008	\$ 6,654,300	\$ 393,768,000			\$ 109,705,800	\$ 45,055,600	\$ 66,781,400	\$ 621,963,100	\$ -	\$ 349,378	\$ 622,314,478	1.875	\$ 1,318,965,021	47.18%
2009	\$ 5,940,900	\$ 396,883,300			\$ 106,924,200	\$ 44,976,400	\$ 67,409,000	\$ 622,133,800	\$ -	\$ 283,211	\$ 622,417,011	1.891	\$ 1,579,989,302	39.39%
2010	\$ 6,373,400	\$ 398,459,400			\$ 105,728,800	\$ 45,218,600	\$ 67,028,400	\$ 622,808,600	\$ -	\$ 304,346	\$ 623,112,946	1.925	\$ 1,317,381,419	47.29%
2011	\$ 11,002,500	\$ 634,853,000			\$ 200,425,300	\$ 82,911,900	\$ 126,722,100	\$ 1,055,914,800	\$ -	\$ 1,296,913	\$ 1,057,211,713	1.177	\$ 1,198,088,239	88.24%
2012	\$ 11,002,500	\$ 634,545,200			\$ 195,548,000	\$ 80,515,400	\$ 124,204,300	\$ 1,045,815,400	\$ -	\$ 1,197,875	\$ 1,047,013,275	1.216	\$ 1,155,691,027	90.60%
2013	\$ 9,007,600	\$ 638,695,300			\$ 192,631,000	\$ 76,279,100	\$ 127,430,000	\$ 1,044,043,000	\$ -	\$ 1,251,760	\$ 1,045,294,760	1.264	\$ 1,089,563,815	95.94%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies^b Tax rates are per \$100

Fairview Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per \$100 of assessed value)

Fiscal Year Ended Dec. 31,	Fairview Board of Education		Overlapping Rates		Total Direct and Overlapping Tax Rate
	General		Borough of Fairview	Bergen County	
	Basic Rate ^a	Obligation Debt Service ^b			
2004	1.650		1.360	0.280	3.290
2005	1.690		1.430	0.310	3.430
2006	1.780		1.530	0.330	3.640
2007	1.843		1.600	0.360	3.803
2008	1.875		1.689	0.392	3.956
2009	1.891		1.773	0.486	4.150
2010	1.925		1.857	0.458	4.240
2011	1.150	0.263	1.158	0.232	2.803
2012	1.100	0.026	1.229	0.239	2.594
2013	1.238	0.026	1.265	0.252	2.781

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy.

The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, which ever is greater, plus any pending growth adjustments.

^a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

^b Rates for debt service are based on each year's requirements.

**Fairview Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2014				2005			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Fairview Associates 94, L.P.	\$ 17,800,500	1	1.70%		\$ 7,500,000	2	1.22%	
Fairview Industrial Park Inc	\$ 11,381,100	4	1.09%		\$ 10,600,000	1	1.72%	
HLF Passaic 2005 LLC	\$ 11,820,700	3	1.13%					
Ronald Realty Co LLC	\$ 12,713,500	2	1.22%		\$ 6,520,000	5	1.06%	
Fairview Bergen Property LLC	\$ 7,117,900	5	0.68%					
Koustas Realty					\$ 3,582,000	7	0.58%	
Acquiport/Amsdsell					\$ 3,041,300	10	0.49%	
Babaci, LLC	\$ 5,475,600	6	0.52%					
Vail Development, LLC					\$ 3,231,600	9	0.52%	
New Age Ventures, Inc					\$ 3,548,700	8	0.58%	
Waste Management of NJ					\$ 5,896,300	6	0.96%	
Bonanno Real Estate Group II	\$ 4,846,200	7	0.46%		\$ 6,712,200	4	1.09%	
United Water NJ	\$ 4,424,000	8	0.42%					
Bonanno Real Estate Group I	\$ 4,300,000	9	0.41%					
175 Bergen LLC	\$ 4,300,000	10	0.41%					
Passaic 85 Associates					\$ 7,022,500	3	1.14%	
Total	\$ 84,179,500		8.06%		\$ 57,654,600		9.35%	

Net Assessed Valuation: \$ 1,044,043,000 \$ 616,650,952

Source: Municipal Tax Assessor.

Exhibit J-9

Fairview Board of Education
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$10,091,260	\$10,091,260	100.00%	\$ -
2006	\$10,610,954	\$10,610,954	100.00%	\$ -
2007	\$11,333,465	\$11,333,465	100.00%	\$ -
2008	\$11,528,969	\$11,528,969	100.00%	\$ -
2009	\$11,803,617	\$11,803,617	100.00%	\$ -
2010	\$11,695,503	\$11,695,503	100.00%	\$ -
2011	\$12,290,046	\$11,765,876	95.74%	\$ 524,170
2012	\$12,606,163	\$11,555,649	91.67%	\$ 1,050,514
2013	\$12,852,943	\$11,781,864	91.67%	\$ 1,071,079
2014	\$13,457,389	\$12,335,940	91.67%	\$ 1,121,449

Source: Municipal Tax Collector

Fairview Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2005	2,575,713	-	96,918	-	-	2,672,631	2.12%	\$ 56,706
2006	2,359,244	-	171,719	-	-	2,530,963	2.48%	\$ 62,714
2007	2,132,122	-	105,819	-	-	2,237,941	3.01%	\$ 67,394
2008	1,899,124	-	98,615	-	-	1,997,739	3.42%	\$ 68,227
2009	1,654,902	-	73,075	-	-	1,727,977	3.66%	\$ 63,198
2010	1,404,361	-	50,885	-	-	1,455,246	4.50%	\$ 65,486
2011	1,142,014	-	28,141	-	-	1,170,155	5.65%	\$ 66,096
2012	872,509	-	18,793	-	-	891,302	7.84%	\$ 69,919
2013	590,300	-	4,524	-	-	594,824	Not Available	Not Available
2014	295,000	-	-	-	-	295,000	Not Available	Not Available

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

^b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

Fairview Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value a of Property	Per Capita b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 2,575,713	760,000	1,815,713	0.29%	\$ 32
2006	\$ 2,359,244	720,000	1,639,244	0.26%	\$ 26
2007	\$ 2,132,122	675,000	1,457,122	0.23%	\$ 22
2008	\$ 1,899,124	630,000	1,269,124	0.20%	\$ 19
2009	\$ 1,654,902	580,000	1,074,902	0.17%	\$ 17
2010	\$ 1,404,361	530,000	874,361	0.08%	\$ 13
2011	\$ 1,142,014	475,000	667,014	0.06%	\$ 10
2012	\$ 872,509	420,000	452,509	0.04%	\$ 6
2013	\$ 590,300	360,000	230,300	0.02%	Not Available
2014	\$ 295,000	295,000	-	Not Available	Not Available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

Fairview Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2014

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2013			\$ 295,000
Net overlapping debt of School District:			
Borough of Fairview	100.000%	\$ 22,314,282	
County of Bergen - City's Share	0.685%	\$ 5,725,156	
Bergen County Utility Authority-City's Share	2.163%	\$ 4,770,252	
Subtotal, overlapping debt			<u>\$ 32,809,690</u>
Total direct and overlapping debt			<u><u>\$ 33,104,690</u></u>

Sources: Borough of Fairview Administrator / Bergen County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Fairview. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Equalized valuation basis			
2013	\$	1,089,563,815	
2012	\$	1,155,691,027	
2011	\$	1,198,088,239	
[A]	\$	2,353,779,266	
Average equalized valuation of taxable property	[A/3]	\$	784,593,089
Debt limit (3% of average equalization value)	[B]		23,537,793
Net bonded school debt	[C]		--
Legal debt margin	[B-C]	\$	23,537,793

	Equalized valuation basis									
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
Debt limit (3% of average equalization value)	[B]		\$	23,537,793	[C]		\$	-		
Net bonded school debt	[B-C]		\$	23,537,793			\$	-		
Legal debt margin			\$	-			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
	2013	\$	1,089,563,815	2012	\$	1,155,691,027	2011	\$	1,198,088,239	
	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									
	[A/3]		\$	784,593,089	[B]		\$	23,537,793	a	
	[B]		\$	23,537,793	[C]		\$	-		
	[B-C]		\$	23,537,793			\$	-		
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	[A]		\$	2,353,779,266	[B]		\$	2,537,793		
	Average equalized valuation of taxable property									

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**Fairview Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2005	13,345	\$ 756,741,570	56,706	6.60%
2006	13,344	\$ 836,855,616	62,714	7.20%
2007	13,400	\$ 903,079,600	67,394	6.50%
2008	13,483	\$ 919,904,641	68,227	8.30%
2009	13,590	\$ 858,860,820	63,198	14.50%
2010	13,851	\$ 907,046,586	65,486	14.80%
2011	13,925	\$ 920,386,800	66,096	14.60%
2012	14,217	\$ 994,038,423	69,919	5.00%
2013	14,237	Not Available	Not Available	5.00%
2014	Not Available	Not Available	Not Available	Not Available

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development

^c Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Fairview Board of Education
Principal Employers
Current Year and Ten Years Ago **

	2014			2005		
	Employer	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)
				Percentage of Total Employment		

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED
TO RELEASE INFORMATION NEED TO COMPLETE THIS SCHEDULE DUE TO
PRIVACY CONCERNS

Source: Borough of Fairview

** Data was only provided for years noted

Fairview Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	61	62	64	64	64	61	60	60	60	61
Special education	21	21	21	20	22	22	21	21	23	24
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	13	13	13	13	13	13	13	13	13	13
General administrative services	4	4	4	4	5	5	5	5	5	5
School administrative services	6	6	6	6	6	6	6	6	6	6
Business administrative services	5	5	5	5	5	5	4	4	5	5
Plant operations and maintenance	10	10	10	10	9	9	6	6	8	6
Pupil transportation	-	-	-	-	-	-	-	-	-	3
Total	120	121	123	122	124	121	115	115	120	123

Source: District Personnel Records

**Fairview Board of Education
Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2005	1,010	16,927,195	16,760	9.09%	92	1:11		1,010	961	-2.79%	95.15%
2006	1,013	17,412,780	17,189	2.56%	86	1:12		1,013	936	0.30%	92.40%
2007	1,005	19,063,378	18,969	10.35%	89	1:11		1,005	942	-0.50%	93.73%
2008	1,051	19,332,639	18,395	-3.03%	88	1:12		1,051	986	3.75%	93.82%
2009	1,043	21,021,034	20,154	9.57%	86	1:12		1,043	981	-0.76%	94.06%
2010	1,115	21,424,300	19,215	-4.66%	83	1:13		1,115	1,062	6.90%	95.25%
2011	1,148	21,027,655	18,317	-4.67%	81	1:14		1,139	1,083	2.15%	95.08%
2012	1,196	20,731,725	17,334	-5.36%	81	1:15		1,183	1,125	3.86%	95.10%
2013	1,205	22,859,505	18,971	9.44%	83	1:15		1,205	1,143	1.86%	94.85%
2014	1,270	23,116,651	18,202	-4.05%	83	1:15		1,271	1,205	5.48%	94.81%

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count for all students attending school facilities

^a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Fairview Board of Education
School Building Information
Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>District Buildings</u>										
<u>Elementary</u>										
Lincoln School	53,472	53,472	53,472	53,472	53,472	53,472	53,472	53,472	53,472	53,472
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	505	504	518	562	577	573	573	602
Enrollment										
Lincoln School Annex	14,810	14,810	14,810	14,810	14,810	14,810	14,810	14,810	14,810	14,810
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	200	195	186	206	227	209	206	213
Enrollment										
Number 3 School	23,372	23,372	23,372	23,372	23,372	23,372	23,372	23,372	23,372	23,372
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	350	340	339	356	344	435	426	455
Enrollment										

Number of Schools at June 30, 2014

Elementary = 2

Middle School = 1

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

Fairview Board of Education
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

School Facilities	Project # (s)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Lincoln School	N/A	108,189	105,337	103,126	106,005	82,143	100,306	147,154	123,984	131,582	81,458
Annex	N/A	9,461	6,593	19,487	12,655	17,117	26,098	9,123	8,866	12,409	33,432
School No. 3	N/A	9,500	18,102	18,139	17,991	19,548	21,396	34,601	25,198	22,149	39,957
Total School Facilities		127,150	130,032	140,752	136,651	118,808	147,800	190,878	158,048	166,140	154,847
Other Facilities											
Grand Total		\$ 127,150	\$ 130,032	\$ 140,752	\$ 136,651	\$ 118,808	\$ 147,800	\$ 190,878	\$ 158,048	\$ 166,140	\$ 154,847

**Fairview Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2014
Unaudited**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
	School package policy -		
	Property - Blanket Building and Contents	\$ 21,074,301	\$ 5,000
	Comprehensive General Liability	16,000,000	
	Comprehensive Automobile Liability	16,000,000	
	Comprehensive Crime Coverage	25,000	500
	Computers and schedule equipment -		
	Data Processing Equipment	125,000	1,000
	Boiler and machinery -		
	Umbrella policy	100,000,000	5,000
	School Board legal liability -		
	Directors and officers policy	16,000,000	5,000
	Public Employees' Faithful Performance Blanket		
	Position Bond - Board Secretary	25,000	1,000
	Pollution - Environmental Package	1,000,000	10,000

Source: District Records

SINGLE AUDIT SECTION

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and
Members of the Board of Education
Fairview Board of Education
Fairview, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Fairview Board of Education, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 8, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Fairview Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fairview Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fairview Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fairview Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Fairview Board of Education in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated October 8, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

October 8, 2014



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS **APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL** **CONTROL OVER COMPLIANCE IN ACCORDANCE WITH** **OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

Honorable President and
Members of the Board of Education
Fairview Board of Education
Fairview, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Fairview Board of Education, in the County of Bergen, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Fairview Board of Education's major federal and state programs for the year ended June 30, 2014. The Fairview Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Fairview Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Fairview Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

FWCC

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Fairview Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Fairview Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Fairview Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Fairview Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Fairview Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

We have audited the financial statements of the Fairview Board of Education as of and for the year ended June 30, 2014, and have issued our report there dated October 8, 2014 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

October 8, 2014

**FAIRVIEW
BOARD OF EDUCATION**
Schedule of Expenditures of Federal Awards

Year ended June 30, 2014

	Federal CFDA Number	Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Award Amount	Balance at June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013			MEMO
											(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:														
National School Lunch Program	10.555		7/1/13-6/30/14	\$ 317,604	(24,968)		283,128	317,604			(34,476)			317,604
National School Lunch Program	10.555		7/1/12-6/30/13	294,104			24,968							294,104
National Breakfast Program	10.553		7/1/13-6/30/14	38,039			34,103	38,039			(3,936)			38,039
National Breakfast Program	10.553		7/1/12-6/30/13	32,486	(2,562)		2,562							32,486
Total U.S. Department of Agriculture					(27,530)		344,761	355,643			(38,412)			682,233
U.S. Department of Education General Fund:														
Medical Assistance Program (SEMI)	93.778		7/1/13-6/30/14	99,888			37,622	99,888			(62,266)			99,888
Total General Fund							37,622	99,888			(62,266)			99,888
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:														
Title I Part A, Improving Basic Programs	84.010		7/1/13-6/30/14	889,606	(153,795)	(153,795)	797,228	946,897			(303,464)			946,897
Title I Part A, Improving Basic Programs	84.010		9/1/12-8/31/13	767,348	(153,795)		797,228	946,897			(303,464)			732,547
														1,679,444
I.D.E.A. Part B	84.027		7/1/13-6/30/14	411,182	(82,896)	(82,896)	501,282	424,968			(6,582)			424,968
I.D.E.A. Part B	84.027		9/1/12-8/31/13	397,032	(82,896)									409,608
I.D.E.A. Part B Preschool	84.173		7/1/13-6/30/14	8,837	(2,576)	(2,576)	11,413	8,837						8,837
I.D.E.A. Part B Preschool	84.173		9/1/12-8/31/13	9,442	(2,576)	2,576								9,460
					(85,472)		512,695	433,805			(6,582)			852,873
Title II Part A	84.367A		7/1/13-6/30/14	53,144	(6,357)	(6,357)	50,085	47,933			(4,205)			47,933
Title II Part A	84.367A		9/1/12-8/31/13	52,068	(6,357)	6,357								51,967
					(6,357)		50,085	47,933			(4,205)			99,900
Title III	84.365A		7/1/13-6/30/14	33,984	(3,571)	(3,571)	23,450	21,908			(2,029)			21,908
Title III	84.365A		9/1/12-8/31/13	39,952	(3,571)	3,571								39,952
Title III, Immigrant	84.365A		7/1/13-6/30/14	14,985			8,697	14,985			(6,288)			14,985
					(3,571)		32,147	36,893			(8,317)			76,845
Special Education Achievement Award	84.027A		9/1/12-8/31/13	75,000	(17,861)		17,861							75,000
					(17,861)		17,861							75,000
Total Special Revenue Fund					(267,056)		1,410,016	1,465,528			(322,568)			2,784,062
Total Federal Financial Assistance				\$	(294,586)		1,792,399	1,921,059			(423,246)			3,566,183

See accompanying notes to schedules of expenditures of federal and state awards.

**FAIRVIEW
BOARD OF EDUCATION**
Schedule of Expenditures of State Awards and Other Local Awards
Year ended June 30, 2014

State/Grant/Program Title	Balance at June 30, 2013				Balance at June 30, 2014				MEMO						
	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Asst. Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures		Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Reservable
State Department of Education:															
General Fund:															
Equalization Aid	495-034-5120-078	7/1/13-6/30/14	5,842,254				5,291,653	5,842,254						*	5,842,254
Transportation Aid	495-034-5120-014	7/1/13-6/30/14	31,122				28,189	31,122						*	31,122
Special Education Aid	495-034-5120-089	7/1/13-6/30/14	947,543				858,242	947,543						*	947,543
Security Aid	495-034-5120-084	7/1/13-6/30/14	109,205				98,913	109,205						*	109,205
Under Adequacy Aid	495-034-5120-083	7/1/13-6/30/14	428,905				388,483	428,905						*	428,905
NTE Homeless Reimbursement	100-029-6060-034	7/1/13-6/30/14	52,782					52,782						*	52,782
Under Adequacy Aid	100-029-6060-034	7/1/13-6/30/14	70,414	(70,414)			70,414							*	70,414
NTE Homeless Reimbursement	100-029-6060-034	7/1/13-6/30/14	141,693				180,526	141,693						*	141,693
Extraordinary Aid	100-034-5120-473	7/1/12-6/30/13	180,526	(180,526)			427,074	427,074						*	180,526
Reimbursed TPAF Social Security	495-034-5095-051	7/1/13-6/30/14	566,215				260,470	260,470						*	566,215
On Behalf TPAF Pension & NCGI Premium	495-034-5095-001	7/1/13-6/30/14	260,470				492,527	260,470						*	260,470
On Behalf TPAF - Post Retirement Medical	495-034-5095-001	7/1/13-6/30/14	427,074					566,215						*	427,074
Total General Fund				(250,940)			8,096,491	8,807,263						*	9,058,203
Special Revenue Fund:														*	
Preschool Education Aid	495-034-5120-086	7/1/13-6/30/14	90,830				81,747	90,830						*	90,830
Nonpublic Text Chapter 194	100-034-5120-064	7/1/12-6/30/14	15,029				15,029	15,024					5	*	15,024
Nonpublic Text Chapter 194	100-034-5120-064	7/1/12-6/30/13	13,157		4					4				*	13,153
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/13-6/30/14	86,539				86,539	84,057					2,482	*	84,057
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/12-6/30/13	16,786		176					176				*	16,610
Chapter 192 - ESL	100-034-5120-067	7/1/12-6/30/14	16,672				16,672	16,323					349	*	16,323
Chapter 192 - ESL	100-034-5120-067	7/1/13-6/30/13	8,356		2,644					2,644				*	7,712
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/12-6/30/14	11,102				11,102	8,187					2,915	*	8,187
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/13-6/30/13	12,538		4,649					4,649				*	7,909
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/13-6/30/14	19,902				19,902	19,263					639	*	19,263
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/12-6/30/13	11,472		1,277					1,277				*	10,195
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/13-6/30/14	25,545				25,545	19,686					5,859	*	19,686
Nonpublic Nursing	100-034-5120-066	7/1/12-6/30/13	13,359											*	13,359
Nonpublic Nursing	100-034-5120-070	7/1/13-6/30/14	21,153				21,153	21,153						*	21,153
Nonpublic Nursing	100-034-5120-070	7/1/12-6/30/13	18,262		702					702				*	17,560
Non Public Technology Grant	100-034-5120-373	7/1/13-6/30/14	5,480				5,480	5,480						*	5,480
Total Special Revenue Fund					9,452		283,169	280,003		9,452			12,249	*	434,501
Debt Service Fund:														*	
Debt Service Aid - Type II	495-034-5120-075	7/1/13-6/30/14	46,342				46,342	46,342						*	46,342
Total Debt Service Fund														*	
Enterprise Fund:														*	
National School Lunch Program (State Share)	100-010-3350-023	7/1/13-6/30/14	6,540	(895)			5,520	6,540			(1,020)			*	6,540
National School Lunch Program (State Share)	100-010-3350-023	7/1/12-6/30/13	6,425				895							*	6,425
Total Enterprise Fund				(895)			6,415	6,540			(1,020)			*	12,965
Total State Financial Assistance				(251,835)	9,452		8,432,417	9,140,148		9,452	(269,183)		12,249	*	9,552,011
Local Sources:														*	
Special Revenue Fund:														*	
LOWES Grant	N/A	7/1/13-6/30/14	5,000				5,000	5,000						*	5,000
Total Local Sources														*	
Total State and Local Financial Assistance				(251,835)	9,452		8,437,417	9,145,148		9,452	(269,183)		12,249	*	9,557,011

See accompanying notes to schedules of expenditures of federal and state awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Fairview Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and the special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(45,642) for the general fund and \$(11,130) for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$99,888	\$8,761,621	\$	\$8,861,509
Special Revenue Fund	1,458,243	281,158		1,739,401
Debt Service Fund		46,342		46,342
Food Service Fund	<u>355,643</u>	<u>6,540</u>	<u></u>	<u>362,183</u>
Total Awards and Financial Assistance	<u>\$1,913,774</u>	<u>\$9,095,661</u>	<u>\$</u>	<u>\$11,009,435</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$687,544 of on-behalf payments is excluded from major program determination.

**FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- | | | | |
|---|-----------|------------------------------------|--|
| 1. Material weakness(es) identified? | _____ yes | _____ <u>X</u> _____ no | |
| 2. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> _____ none reported | |

Noncompliance material to basic financial statements noted?	_____ yes	_____ <u>X</u> _____ no	
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Federal Awards

Internal Control over major programs:

- | | | | |
|---|-----------|------------------------------------|--|
| 1. Material weakness(es) identified? | _____ yes | _____ <u>X</u> _____ no | |
| 2. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> _____ none reported | |

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes _____ X _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010 (A)	Title I, Part A
10.555/10.553 (A)	National School Lunch Program/National School Breakfast Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ X _____ yes _____ no

Note: (A) Tested as Major Type A Program

**FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

*Section I - Summary of Auditor's Results
(continued)*

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? yes X no

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089/ 495-034-5120-078/ 495-034-5120-084/ (A) <u>495-034-5120-083</u>	Special Education Categorical Aid/Equalization Aid/Security Aid/ <u>Under Adequacy Aid</u>
<u>495-034-5095-002</u> (A)	<u>Reimbursed TPAF Social Security Contribution</u>

Note: (A) Tested as Major Type A Program.

**FAIRVIEW BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section II – Financial Statement Findings

NONE

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

NONE

**FAIRVIEW BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Status of Prior Year Findings

Finding 14-1

Conditions

The Board Secretary and Treasurer of School Moneys did not prepare and submit annual reports to the Board and County Superintendent by August 1st.

Status

Corrective action has been taken.